

AMENDED AND RESTATED
COOPERATIVE ENDEAVOR AGREEMENT

BY AND AMONG

LOUISIANA CHILDREN'S MEDICAL CENTER;

**UNIVERSITY MEDICAL CENTER
MANAGEMENT CORPORATION;**

**BOARD OF SUPERVISORS OF
LOUISIANA STATE UNIVERSITY
AND AGRICULTURAL AND MECHANICAL COLLEGE;**

THE LOUISIANA DIVISION OF ADMINISTRATION;

AND

**THE STATE OF LOUISIANA
THROUGH THE DIVISION OF ADMINISTRATION**

EFFECTIVE MAY 29, 2013

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AMENDED AND RESTATED
COOPERATIVE ENDEAVOR AGREEMENT

THIS AMENDED AND RESTATED COOPERATIVE ENDEAVOR AGREEMENT (“CEA” or “Agreement”) is made and entered into effective the 29th day of May, 2013 (“Effective Date”), by and among Louisiana Children’s Medical Center, a Louisiana nonprofit corporation (“LCMC”), University Medical Center Management Corporation (A Major Affiliate of LSU pursuant to La. R.S. 17:3390), a Louisiana nonprofit corporation (“UMCMC”), Board of Supervisors of Louisiana State University and Agricultural and Mechanical College (“LSU”), the Louisiana Division of Administration, acting through the Commissioner (the “DOA”), and the State of Louisiana, acting through the Commissioner of Administration (the “State”). LCMC, UMCMC, LSU, DOA and the State are referred to together as the “Parties,” and each, a “Party.” Capitalized terms shall have the meanings set forth on Appendix 1.

RECITALS

WHEREAS, the State of Louisiana, through public and private educational institutions, facilities and health providers, has long endeavored to create and maintain a system of medical education and training of the highest quality while also providing the highest quality of health care services to all citizens of the State;

WHEREAS, it is a collective goal of the Parties to enhance the stability and competitiveness of Louisiana’s medical education and training programs so that Louisiana is positioned to continue to attract the most talented faculty, students, residents and other medical professionals;

WHEREAS, a highly competitive academic and training environment furthers the additional goal of the Parties to leverage the research capabilities of Louisiana's public and private educational institutions, facilities and health providers;

WHEREAS, sustainable partnerships among health providers and LSU and the Administrators of the Tulane Educational Fund, d/b/a Tulane University (“Tulane”), as well as other universities and training institutions in Louisiana, are necessary to optimize the medical training resources available in Louisiana and to ensure that sufficient numbers of qualified health care professionals are trained to address the current and future healthcare needs of the State;

WHEREAS, Louisiana has traditionally relied on a state-wide public hospital system, most recently owned and operated by LSU pursuant to constitutional and statutory authority, to (i) provide health care to the State’s uninsured and high-risk Medicaid populations, as well as the State’s inmates, and (ii) serve as the primary training sites for LSU’s medical education programs;

WHEREAS, the state-wide public hospital system is financially unsustainable, compromising LSU’s and the State’s ability to provide medical education opportunities, a full range of clinical services to all Louisiana citizens, including the uninsured and Medicaid high-risk populations, and promote clinical research and other advances in health care;

WHEREAS, Louisiana’s health care reform effort has focused on ways to remodel the delivery of care through partnerships and cooperative efforts between the public and private sectors;

WHEREAS, LSU owns the facility located at 2021 Perdido Street, New Orleans, Louisiana 70112 that since Hurricane Katrina has served as an interim facility (along with the related facilities, the “Interim Facility”) for the LSU hospital with Medicare Provider Number 190005 (the “Hospital”) and the ongoing operations of the Hospital;

WHEREAS, upon completion of construction by the Office of Facilities Planning and Control within the DOA, LSU will own the facility currently under construction in New Orleans

to serve as the Hospital's new, permanent facility, as well as an ambulatory care building and parking garage currently under construction as part of the Hospital's new campus (collectively, the "New Facility");

WHEREAS, in accordance with a Memorandum of Understanding dated August 2, 2009, as amended by amendment thereto dated March 2, 2010, by and among LSU, DOA, the Louisiana Department of Health and Hospitals ("DHH") and Tulane (the "MOU"), it is contemplated that UCMC will assume the operations of the Hospital upon completion of the New Facility as a private enterprise in accordance with the terms of this CEA and part of a collaborative academic medical center (the "AMC") to serve and enhance opportunities to achieve the State's medical education, clinical care and research goals;

WHEREAS, due to (i) the closing of the former Charity Hospital facility, the Federal Emergency Management Agency ("FEMA") provided funds to establish the Interim Facility as the Hospital's interim location to provide services until construction of the New Facility could be completed and the commencement of operations therein, and (ii) the subsequent execution of the MOU by LSU, Tulane, DOA and DHH, the provisions of La. R.S. 17:1519.9 are no longer applicable to the Hospital's operations and so are not applicable to this CEA or the Contemplated Transactions (as hereinafter defined);

WHEREAS, the LCMC health care system (the "LCMC System" or "System") has extensive experience in nonprofit hospital operations and finances, including management and operation of Touro Infirmary ("Touro") and Children's Hospital of New Orleans ("Children"), ongoing academic relationships with LSU, Tulane, and other academic and community organizations throughout New Orleans and Louisiana, and is committed to the growth and expansion of the charitable clinical, teaching and research missions in the communities it serves;

WHEREAS, UMCMC has determined that the System has the resources and expertise necessary to help UMCMC achieve its vision of an integrated, world class academic medical center consistent with the MOU;

WHEREAS, to maintain the viability of Hospital operations and the current range of patient care services and programs in the Interim Facility, and to protect and enhance the Hospital's vital role in the AMC as the Hospital transitions to the New Facility, the Parties desire to immediately bring LCMC's financial, operational and relationship and other expertise and resources to the Hospital for the mutual benefit of the State and LSU by entering into a series of transactions in which (i) LCMC will become the sole member of UMCMC with certain reserved powers, resulting in UMCMC becoming an Affiliate of LCMC; (ii) UMCMC will assume responsibility for Hospital operations in accordance with and subject to the terms and conditions of this CEA (iii) LSU will lease the Interim Facility and the New Facility and certain furniture, fixtures and equipment used in connection with the Hospital's operations to UMCMC pursuant to the Master Hospital Lease and the Equipment Lease (both as hereinafter defined); (iv) UMCMC will purchase certain consumable inventory of the Hospital; (v) LSU and the State will grant to UMCMC a right of use of the land upon which the New Facility is being constructed and will be operated and certain land and improvements surrounding the New Facility pursuant to the Right of Use Agreement (as hereinafter defined); (vi) LSU will assist in transitioning Hospital operations from LSU to UMCMC; (vii) UMCMC and LCMC will commit to supporting the academic, clinical and research missions of the AMC in accordance with this CEA; and (viii) such other or additional transactions or agreements as may be necessary to effect the foregoing (collectively, the "Contemplated Transactions");

WHEREAS, among other things, the Contemplated Transactions will afford LCMC and its Affiliates the opportunity to extend their management abilities and mission to additional hospital facilities in the New Orleans area, access and support a Level 1 Trauma Center and a robust clinic infrastructure, create innovative health care delivery systems (such as accountable care organizations), and facilitate greater clinical integration across a broader base of providers in and around New Orleans, all of which will serve to expand and diversify the LCMC System to better serve its patient population and the patient population of the greater New Orleans area;

WHEREAS, among other things, this CEA and the Contemplated Transactions will: (i) stabilize and enhance the medical education and training experiences and opportunities available to LSU students and residents, as well as students and residents of other educational institutions; (ii) optimize the training resources to build Louisiana's health care workforce and further the health care enterprise in Louisiana; (iii) based on available and reasonable means of financing, provide better access to a full range of clinical care services to the uninsured and high risk Medicaid populations; (iv) allow the AMC to compete with academic medical centers in other states to attract the best faculty, residents and students; (v) enhance opportunities for faculty to perform and attract funding for cutting edge research; (vi) attract private and publicly financed third party payments in order to compete in the health care marketplace; and (vii) promote better health care for Louisiana citizens through an evidence-based, outcomes-driven integrated delivery system focused on high quality, cost-effective health care.

WHEREAS, LCMC is willing and desires to provide, either directly or through UMCMC, the financial resources, operational expertise, and other necessary resources and to take steps to ensure that the Hospital continues to and, upon completion of construction of the New Facility, will: (i) serve as a safety-net hospital, and play a central role in providing

healthcare services to the uninsured and high-risk Medicaid populations; (ii) provide the citizens of Louisiana, whether through the Hospital or another LCMC Affiliate, with services that might not otherwise be available in their communities; (iii) preserve the quality of medical education in Louisiana through medical training partnerships and academic affiliations with LSU, Tulane, and other universities and training institutions; and (iv) prevent the major reductions currently contemplated for the Hospital and their devastating effects on LSU's academic programs in the health sciences and patient access to clinical care;

WHEREAS, the Parties recognize that UMCMC's assumption of the operations and management of the Hospital and the physical transition from the Interim Facility to the New Facility will include: (i) the commitment and the assumption of significant financial and operational investments by UMCMC and its Affiliates, including without limitation, working capital, transition costs, and funding or financing for certain improvements for the New Facility, and (ii) that LCMC's continuing commitment to UMCMC is dependent upon UMCMC's ability to be a going concern over time based on its own financial performance;

WHEREAS, as contemplated by the MOU, it will be necessary for the Hospital to be operated in a manner consistent with the best practices of private, non-profit institutions, and it must function responsibly as an independent entity;

WHEREAS, the Parties recognize the importance of and desire to ensure the continued provision of charitable care at the Hospital;

WHEREAS, DOA, the State, LSU, LCMC and UMCMC recognize the need to work collaboratively and exercise their best efforts to secure and provide funding for the cost of the services provided to uninsured patients at the Hospital;

WHEREAS, the Parties recognize that the Hospital operates in a constantly changing health care financing system;

WHEREAS, the effect of the changing health care financial environment is to create financial instability in funding sources such that LCMC must have the ability to protect the LCMC system with an ability to timely withdraw its membership in UMCMC on short notice;

WHEREAS, it is the desire of the Parties to closely monitor the health care financial environment and the financial performance of UMCMC, and to work together, expeditiously and on an ongoing basis, to address any new financing system with appropriate and agreed changes to this CEA and related documents;

WHEREAS, the Louisiana Constitution in Article VII, Section 14(C) permits the State and its political subdivisions or political corporations to engage in cooperative endeavors with any public or private association, corporation or individual for a public purpose;

WHEREAS, LSU has the legal authority to provide the health care services that are the subject of this cooperative endeavor;

WHEREAS, the Parties desire to enter into this CEA, as well as related agreements, to facilitate and advance the goals recited herein;

WHEREAS, in addition to this CEA and the Exhibits hereto, LSU and UMCMC will enter into an agreement to address ancillary matters related to the Contemplated Transactions (the “Master Collaborative Agreement”);

WHEREAS, the Parties recognize this CEA has been presented to and reviewed by the Louisiana Legislature’s Joint Legislative Committee on the Budget in accordance with Legal Requirements; and

WHEREAS, the Parties intend and expect that this CEA and the Contemplated Transactions will benefit the State and LSU, and such expenditure is not gratuitous;

WHEREAS, this Amended and Restated CEA shall supersede in totality that certain Cooperative Endeavor Agreement previously entered into by and among the Parties, DHH and DOA as of the Effective Date.

NOW, THEREFORE, in consideration of the mutual covenants set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

**ARTICLE I.
STATEMENT OF PUBLIC PURPOSE**

Section 1.1 Public Purpose. In accordance with Article 7, Section 14(c) of the Louisiana Constitution, the Parties enter into this CEA for the public purpose of creating an academic medical center in which the Parties continuously work in collaboration and are committed and aligned in their actions and activities, in a manner consistent with a sustainable business model and adequate funding levels, to serve the State and its citizens: (i) as a premier site for graduate medical education, capable of competing in the health care marketplace, comparable among its peers, with the goal of attracting the best faculty, residents and students, to enrich the State's health care workforce and their training experience; (ii) in fulfilling the State's historical mission of assuring access to Safety Net Services to all citizens of the State, including its Medically Indigent, high risk Medicaid and State inmate populations, and (iii) by focusing on and supporting the Core Services and Key Service Lines, as defined and agreed by the Parties, necessary to assure high quality GME Programs and access to Safety Net Services.

Section 1.2 Contract Monitor. LSU shall appoint a contract monitor (“Contract Monitor”) whose role shall be to monitor the Parties’ compliance with the terms of this CEA. The Contract Monitor shall be an employee of LSU Health Care Services Division (“HCSD”) or a successor or related institution under the supervision of the LSU Board of Supervisors. The Contract Monitor’s responsibilities with respect to this CEA shall be to perform all public accountability and reporting functions in accordance with Legal Requirements. LSU may assign such other duties and responsibilities to the Contract Monitor in its discretion.

ARTICLE II.
MEDICAL EDUCATION AND RESEARCH SUPPORT

Section 2.1 Commitment to Academic Mission. Recognizing the special character of an academic medical center, including the vital role the Hospital plays in medical education, research and patient care, and the vital role academic institutions play and will play in the Hospital’s financial viability and potential to succeed in a dynamic health care marketplace, and the interdependence among the Hospital and academic institutions in establishing and maintaining the AMC as a world-class academic medical center, UMCMC’s governance documents, including its Articles of Incorporation and Bylaws, will recognize the traditional roles the Hospital, LSU and Tulane have played in providing medical education, research and patient care. UMCMC will enter into academic affiliation agreements with LSU, Tulane, Xavier University, Dillard University, University of New Orleans, Delgado Community College and other academic institutions to strengthen and enhance medical education in the AMC and the health care workforce in Louisiana.

Section 2.2 Office of Academic Affairs. UMCMC will establish an Office of Academic Affairs (“OAA”) to be led by UMCMC’s Chief Academic Officer. The

Chief Academic Officer shall be a physician employed by UMCMC who has experience and demonstrated capability in the management and administration of an academic medical center. The Chief Academic Officer will report to the UMCMC's Chief Executive Officer and will be supported by UMCMC's Academic Advisory Committee as provided in the UMCMC Bylaws ("AAC"). The AAC's operating procedures will provide for representation on the AAC by LSU, Tulane, UMCMC and other LCMC institutions involved in GME. The Chief Academic Officer, as supported by the AAC, will be responsible for recommending to the UMCMC Board of Directors and Chief Executive Officer the overall educational strategy for the AMC, giving appropriate consideration to the AMC's mission, budgetary impacts, fulfillment of Residency Review Committee requirements, and other relevant factors. The AAC will seek to create structures and promote collaboration and support among LSU, Tulane, UMCMC and other LCMC institutions involved in GME such as coordination of patient care through clinical service line committees that will allow each institution to achieve its respective goals and optimize opportunities for the AMC enterprise. The AAC operating procedures will provide that the AAC will develop a dispute resolution process for resolving disputes among AAC members and their Sponsoring Institutions that will foster collaboration, input, and decision-making in making recommendations in the best interests of the entire AMC enterprise.

Section 2.3 Academic Affiliation with LSU. UMCMC and LSU will enter into an Academic Affiliation Agreement ("AAA") that sets forth the terms and conditions upon which UMCMC and LSU specifically agree and will collaborate to strengthen LSU, the Hospital, the AMC and their respective programs, particularly when the Hospital relocates to the New Facility. The AAA will provide that (i) LSU maintains ultimate authority over its academic programs, policies and procedures as they directly relate to the LSU faculty, residents and

students, and (ii) UMCMC maintains ultimate authority over the business, management, policies, operations and assets of the Hospital.

Section 2.4 Academic Affiliation with Tulane. UMCMC shall enter into an academic affiliation agreement with Tulane, which agreement shall contain provisions related to academic autonomy, Tulane research support, and Tulane's educational mission at the Hospital.

ARTICLE III. COMMITMENTS TO PATIENT CARE

Section 3.1 Care for the Medically Indigent and Uninsured. Recognizing (i) the State's historical commitment to providing free or reduced cost health care to the uninsured and Medically Indigent populations, and (ii) LSU's mission of providing access to high quality medical care for all patients, including the Medically Indigent and uninsured populations, within available financing and approved budgets, and (iii) the need to support the AMC's education and training mission, UMCMC agrees subject to the good-faith determination by the UMCMC Board of Directors and consistent with the mission of UMCMC, to provide free or reduced cost health care to Medically Indigent and uninsured patients of the Hospital in accordance with a charity care policy that is consistent in all material respects with LSU Policy Number 2525-12 attached as Exhibit 3.1, the current policy for determining eligibility for free or reduced cost health care services at the Hospital, which may be amended from time-to-time by LSU or UMCMC with proper notice to the other Party in a manner consistent with the Public Purpose.

Section 3.2 Care for High-Risk Medicaid Patients. Recognizing LSU's traditional role as a high-volume provider of health care services to patients covered by Medicaid, particularly medically complex and otherwise high-risk Medicaid patients, and the

AMC's capability and capacity to provide specialized physician and hospital care not always readily available to these patients in the private sector, UMCMC will work in good faith to make available the Core Services and Key Services Lines as described in this Article III to high-risk Medicaid patients in accordance with the terms of this CEA, subject to the good-faith determination by the UMCMC Board of Directors and consistent with the mission of UMCMC.

Section 3.3 State Inmate Care. Subject an agreement with the Department of Corrections pursuant to which UMCMC will receive reasonable and appropriate cost reimbursement, UMCMC, with the support of LSU, will provide medically necessary health care to the State's inmates. In the event UMCMC does not receive reasonable and appropriate cost reimbursement, it may suspend the provision of health care services to State inmates, and the State shall arrange for alternative sources of medically necessary health care until such time as reasonable and appropriate cost reimbursement is provided to UMCMC for such medically necessary services. Suspension of care to State inmates due to lack of reasonable and appropriate cost reimbursement for such services shall not constitute a violation of this CEA. Subject to the good-faith determination by the UMCMC Board of Directors and consistent with the mission of UMCMC, UMCMC will make commercially reasonable efforts to assure that telemedicine capability is available to LSU in accordance with Section 3.6 for use in providing cost-effective, medically necessary health care to State inmates.

Section 3.4 Core Services. The Parties acknowledge and agree that the services identified on Schedule 3.4 are core Safety Net services ("Core Services") currently being provided to the community and the region through the Hospital, and that UMCMC will continue to provide the Core Services through the Hospital at reasonably comparable levels, taking into account normal hospital operations and capacity fluctuations, on and after the

Commencement Date, subject to the terms of this CEA and the good-faith determination by the UMCMC Board of Directors and consistent with the mission of UMCMC. UMCMC may limit or reduce (but shall not discontinue) the provision of one or more Core Services outside the scope of normal hospital operations and capacity fluctuations (hereinafter referred to as a “Core Service Adjustment”) if it reasonably determines that the continued provision of such services at such levels will materially and adversely impact UMCMC or its subsidiaries or affiliates and that the limitation or reduction will not materially and adversely impact the Public Purpose per Article I of this CEA in light of community need, patient access, cost, and available resources (hereinafter collectively referred to as the “Community Access Standards”). In the event UMCMC makes such determination, it will provide advance written notice to LSU of its intention to make a Core Service Adjustment, which shall include a description of UMCMC’s basis for the same and an explanation of how the Community Access Standards affect or are affected by the proposed Core Service Adjustment (a “UMCMC Core Service Adjustment Notice”). LSU may, within ten (10) days of a UMCMC Core Service Adjustment Notice, request to meet with UMCMC regarding UMCMC’s determination to make a Core Service Adjustment (a “LSU Core Service Request”). In the event LSU provides UMCMC with an LSU Core Service Request, LSU and UMCMC shall work together in good faith for a period of thirty (30) calendar days in an effort to develop an effective means of maintaining the provision of those services to be limited or reduced by UMCMC as described in the UMCMC Core Service Adjustment Notice. In the event that LSU and UMCMC are not able to resolve the issues described in the UMCMC Core Service Adjustment Notice within such thirty (30) day period, UMCMC by affirmative vote of its Board of Directors, taking into account the Community Access Standards, may commence to limit or reduce the Core Service(s) consistent with the

UMCMC Core Service Adjustment Notice. Any limitations or reductions of Core Services implemented in good faith by UMCMC in accordance with this Section 3.4, giving reasonable consideration to the Community Access Standards, shall not be deemed materially inconsistent with the Public Purpose as provided in Section 16.4(a).

Section 3.5 Key Service Lines. The parties acknowledge and agree that the clinical service lines to be identified in the AAA (“Key Service Lines”) are critical not only to comprehensive patient care, but also to the AMC’s mission of providing robust medical education and clinical research experiences. LSU and UMCMC agree that, subject to the good-faith determination by the UMCMC Board of Directors and consistent with the mission of UMCMC, the Hospital will offer a baseline of services in the Key Service Lines at least at the level provided at the Interim Facility on the Commencement Date as agreed upon by UMCMC and LSU (“Key Service Baseline”), and will work collaboratively with LSU, Tulane and other academic partners within the AMC to grow the Key Service Lines above the Key Service Baseline with a financially sustainable payer mix in the New Facility. UMCMC may in its sole discretion, limit or reduce the provision of one or more Key Service Lines if its Board of Directors determines in its sole discretion that the continued provision of such services will materially and adversely impact UMCMC or its subsidiaries or affiliates (hereinafter referred to as a “Key Service Line Adjustment”), provided, however, that UMCMC shall not reduce any Key Service Line below the minimum requirement necessary to maintain a GME Program that is based on such Key Service Line. Further, the Parties agree that the foregoing proviso shall not impact LCMC’s withdrawal rights under Section 16.2(f) hereof. In the event UMCMC makes a determination that the continued provision of such services will materially and adversely impact UMCMC or its subsidiaries or affiliates, it will provide advance written notice to LSU of its

intention to make a Key Service Line Adjustment, which shall include a description of UMCMC's basis for the same (a "UMCMC Key Service Line Adjustment Notice"). LSU may, within ten (10) days of a UMCMC Key Service Line Adjustment Notice, request to meet with UMCMC regarding UMCMC's determination to make a Key Service Line Adjustment (a "LSU Key Service Line Request"). In the event LSU provides UMCMC with an LSU Key Service Line Request, LSU and UMCMC shall work together in good faith for a period of thirty (30) calendar days in an effort to develop an effective means of maintaining the provision of those services to be limited or reduced by UMCMC as described in the UMCMC Key Service Line Adjustment Notice. In the event that LSU and UMCMC are not able to resolve the issues described in the UMCMC Key Service Line Adjustment Notice within such thirty (30) day period, UMCMC may commence to limit or reduce the Key Service Line(s) consistent with the UMCMC Key Service Line Adjustment Notice.

Section 3.6 Telemedicine.

(a) UMCMC and LSU will make commercially reasonable efforts to maintain the infrastructure, such as nursing support, space, and scheduling, of telemedicine services provided at the Interim Facility in order to continue providing cost-effective care to State inmates as provided in Section 3.3, as well as other patients in remote locations, and work to grow the Hospital's telemedicine program at the New Facility. LSU will provide the physician support and UMCMC, subject to the good-faith determination by the UMCMC Board of Directors and consistent with the mission of UMCMC, will provide the infrastructure support necessary to maintain the Hospital's telemedicine program at least at the level provided in the Interim Facility as of the Commencement Date. LSU and UMCMC will make commercially reasonable efforts to collaborate to grow the Hospital's telemedicine program, provided that a

sustainable business model can be created to serve patients in remote locations and fulfill the Hospital's role as a regional referral center within the AMC.

Section 3.7 Closure; Reduction of Services. UMCMC will not close the Hospital or the Hospital's emergency room or reduce services except in compliance with Legal Requirements.

Section 3.8 Open Medical Staff. Consistent with the Public Purpose, UMCMC may maintain an open medical staff as may be determined by its Board of Directors.

**ARTICLE IV.
FACILITIES AND EQUIPMENT**

Section 4.1 UMCMC Lease of Interim Facility and New Facility.

Contemporaneous with and subject to the terms and conditions of this CEA, LSU, the State and UMCMC enter into, and LCMC shall intervene for certain purposes in, that certain Master Hospital Lease in the form attached as Exhibit 4.1 (“Master Hospital Lease”). Contemporaneous with this CEA, LSU, the State, UMCMC and LCMC will enter into the First Amendment to Master Hospital Lease in the form attached as Exhibit 4.1 to this CEA. Under the Master Hospital Lease, as amended, LSU agrees to take all the necessary actions required to transfer possession of the Interim Facility and, upon its completion, the New Facility, to UMCMC. The Master Hospital Lease, as amended, shall include all property set forth in the Master Hospital Lease (the “Leased Premises”), but shall not include the land upon which the New Facility is located and shall not include any liens, claims, security interests, charges, privileges, pledges, mortgages, deeds of trust or encumbrances, except as may be further described in the Master Hospital Lease, as amended. Without limiting the foregoing, the Master Hospital Lease, as amended, will also provide for the following:

(a) Rental Payments. The rental payments paid by UMCMC for the Interim Facility and New Facility (“Rent”) represent fair market value, as set forth in the Master Hospital Lease as amended.

(b) LCMC Guarantee. Payment of Rent by UMCMC to LSU will be guaranteed by LCMC in accordance with the Master Hospital Lease.

(c) Master Hospital Lease Term, Renewal Options. The Master Hospital Lease, as amended shall provide for a term of five (5) years, which shall automatically renew

for additional five (5) year terms unless UMCMC provides at least two hundred seventy (270) days' advance notice, prior to the expiration of the then-current term of the Master Hospital Lease, of its intent to not renew the Master Hospital Lease.

(d) Option to Amend the Master Hospital Lease. If the Parties deem it advantageous to the implementation of this CEA, the Parties may further amend the Master Hospital Lease to exclude certain portions of the Leased Premises (the "Excluded Premises") from the Master Hospital Lease and enter into a separate lease for the Excluded Premises. Any such amendment and separate lease of the Excluded Premises shall provide for fair market value Rent for the Leased Premises and the Excluded Premises, shall continue the guarantee of Rent for the Leased Premises by LCMC, and shall have the same five (5) year initial term and five (5) year renewal terms as the current Master Hospital Lease, as amended.

Section 4.2 Right of Use Agreement. Contemporaneous with and subject to the terms and conditions of this CEA, LSU, the State, and UMCMC shall enter into a Right of Use, Possession and Occupancy Agreement by and among LSU, the State, and UMCMC in the form attached as Exhibit 4.2 (the "Right of Use Agreement"). Contemporaneous with this CEA, LSU, the State, UMCMC and LCMC will enter into the First Amendment to Right of Use Agreement in the form attached as Exhibit 4.2 to this CEA. Under the Right of Use Agreement, UMCMC shall have the right of ingress, egress, and other rights over the entirety of the land upon which the New Facility is located and certain surrounding land (the "Land"). DOA shall be responsible for maintenance of the McDonough School and the tract upon which it is located. The Parties understand and agree that none of UMCMC or any of its Affiliates shall have any responsibility for the maintenance, upkeep, repair, renovation or security of the McDonough School and tract on which it sits (which tract has been excluded from the Right of

Use Agreement) and the McDonough School may not be placed on any of the immovable property subject to the Right of Use Agreement.

Section 4.3 UMCMC Lease of Certain Equipment. Contemporaneous with and subject to the terms and conditions of this CEA, LSU and UMCMC shall enter into an Equipment Lease Agreement in the form attached as Exhibit 4.3 (“Equipment Lease”), which shall govern the lease of certain equipment necessary for UMCMC’s operation of the Hospital.

Section 4.4 Subleases and Rights of Use. In addition to the Master Hospital Lease for the Leased Premises, UMCMC will enter into sublease and/or right of use agreements with LSU having mutually agreeable terms for certain properties currently used in connection with Hospital operations in the Interim Facility and its related outpatient clinics.

**ARTICLE V.
MEMBER SUBSTITUTION**

Section 5.1 Member Substitution. Immediately following the execution of this CEA by the Parties, UMCMC shall execute and file with the Louisiana Secretary of State and the Clerk and Recorder of East Baton Rouge Parish the Amendment to and Restatement of the Articles of Incorporation of UMCMC and LCMC shall thereby be substituted as and become the sole member of UMCMC as of the Effective Date (the “Member Substitution Date”) in accordance with the Member Substitution Agreement as approved by the UMCMC Board of Directors. All assets and properties, whether tangible or intangible, of UMCMC shall at the Member Substitution Date remain assets of UMCMC and all liabilities of UMCMC shall at the Member Substitution Date remain with UMCMC.

Section 5.2 Member Withdrawal. LCMC shall have the right or obligation, as applicable, to withdraw as the sole member of UMCMC prior to the expiration of the Term only in accordance with Article XVI, and for no other reason, including, without

limitation, any Breach of this CEA, the Master Collaborative Agreement or other agreement related to the Contemplated Transactions. Subject to the Parties' compliance with the provisions of Article XVI, LCMC shall have the right or obligation, as applicable, to withdraw as the sole member of UMCMC in accordance with Article XVI. Any withdrawal by LCMC as the sole member of UMCMC shall be subject to the provisions of Article XVI.

Section 5.3 Amendments upon LCMC Withdrawal. Effective upon LCMC's submission of a Withdrawal Notice as the sole member of UMCMC, the Parties agree that the following amendments to this Agreement shall become effective on the Member Withdrawal Date without further action by the Parties:

(a) Section 4.1(b) (LCMC Guarantee) shall be deleted in its entirety unless a successor entity to LCMC agrees to guarantee the Master Hospital Lease, in which case LCMC shall be replaced with the name of such successor entity. In any event, at the time of LCMC's submission of a Withdrawal Notice, the Parties agree that LCMC shall no longer guarantee the Master Hospital Lease or the Right of Use Agreement except as to rent and other obligations accruing under the Master Hospital Lease or the Right of Use Agreement prior to submission of the Withdrawal Notice.

(b) UMCMC Articles and Bylaws will be amended according to the terms of the Member Substitution Agreement.

**ARTICLE VI.
CONSUMABLES, INVENTORY AND ACCOUNTS RECEIVABLE**

Section 6.1 Purchase of Inventory. All usable inventories of (i) supplies, drugs, food, and other disposables, and (ii) tangible assets valued at less than one thousand dollars (\$1,000.00) and which are untagged and untracked by LSU and DOA and on hand at the Interim Facility as of the Commencement Date, will be transferred to UMCMC for

fair market value pursuant to the terms and conditions to be set forth in the Master Collaborative Agreement. Purchase of Accounts Receivable UMCMC may purchase some or all of the Hospital's outstanding accounts receivable existing as of 12:00 a.m. on the Commencement Date for fair market value pursuant to the terms and conditions to be set forth in the Master Collaborative Agreement, subject to and in accordance with applicable law.

**ARTICLE VII.
HOSPITAL EMPLOYEES**

Section 7.1 Employee Matters.

(a) Termination of Employment by LSU. LSU will timely file a layoff plan (the "Layoff Plan") with the Louisiana Department of State Civil Service that will provide for the layoff of certain of LSU's Hospital employees, subject to the approval of the Louisiana Department of State Civil Service Commission, as of 11:59:59 p.m. on the day before the Commencement Date.

(b) Offers of Employment. LSU's Hospital employees who are to be laid off in accordance with the Layoff Plan may apply to UMCMC for employment and UMCMC may offer employment to such LSU Personnel as UMCMC, in its discretion, deems necessary for the operation of the Hospital. At any time prior to the Commencement Date, UMCMC may communicate with any of LSU's Hospital employees to the extent necessary to allow such LSU employees to apply for employment, to offer employment and to otherwise reasonably permit UMCMC to act in accordance with this Section.

(c) UMCMC Terms and Conditions of Employment. All of LSU's Hospital employees who are offered employment by UMCMC shall be hired on an at-will basis for job classifications and job descriptions established by UMCMC, and shall be employed subject to terms and conditions established by UMCMC.

(d) Employee Assistance. UMCMC shall establish a website through which LSU Hospital employees may apply for positions at UMCMC. In addition, LSU shall arrange for the Louisiana Workforce Commission to host a job fair at the Interim Facility. UMCMC, as well as other public and private sector employers, shall conduct on-site interviews at the job fair. LSU may arrange for Louisiana Rehabilitation Services within the Louisiana Workforce Commission to participate in the job fair and provide individual assistance and guidance to employees in response to the implications of an impending layoff. Other agencies or entities that may participate in the job fair include (i) the LaChip program within DHH to inform and offer assistance and services to LSU Personnel that may qualify; (ii) the Louisiana State Employees Retirement System; and (iii) banking institutions and credit unions. LSU will provide LSU Hospital employees with a “Frequently Asked Questions” document regarding the civil service process, retirement benefits and health benefits.

(e) LSU Wages, other Compensation and Employee Benefits. LSU shall retain all liabilities and obligations in respect of past, present and future employees of LSU, including but not limited to Hospital employees, for wages and other compensation, under any LSU Benefit Plans and under applicable Laws. LSU will provide health benefits coverage for LSU Hospital employees in accordance with the LSU Benefit Plans through June 30, 2013. Without limiting the generality of the foregoing, UMCMC shall have no liability or obligation whatsoever under any LSU Benefit Plans and/or for any wages and other compensation that may be due to LSU Hospital employees including any past, present and future employees of LSU.

(f) Employee Information. Subject to applicable legal restrictions, UMCMC and LSU shall provide each other, in a timely manner, with any information which the other

may reasonably request with respect to (i) any LSU Personnel or, after the Commencement Date, any Person employed by UMCMC who formerly was an employee of LSU, (ii) his or her employment with and compensation from LSU or UMCMC, or (iii) rights or benefits under any employee plan or any personnel policy of LSU.

**ARTICLE VIII.
RESERVED**

**ARTICLE IX.
MASTER COLLABORATIVE AGREEMENT**

Section 9.1 In General. Subsequent to the execution and consistent with the terms of this CEA, but prior to the Commencement Date, LSU, UMCMC and LCMC will enter into a Master Collaborative Agreement (the “MCA”) to address key operational issues related to the transition of the Hospital from LSU to UMCMC in accordance with this CEA. The MCA shall address, without limitation, the mutually agreeable terms and conditions under which:

(a) Provider Numbers. UMCMC shall accept the Hospital’s (i) Medicare Provider Agreement and corresponding provider number 190005, and (ii) Medicaid Provider Agreement and corresponding provider number 1765651;

(b) Professional Services. UMCMC shall contract with LSU to obtain the services of LSU physicians and related services necessary to provide patient care in the Hospital and its provider-based outpatient clinics;

(c) Accountable Care Services. UMCMC shall contract with LSU for data warehouse, disease management and related health care effectiveness services designed to improve quality and patient outcomes, and reduce to cost of health care services, particularly among the uninsured and high risk Medicaid populations;

(d) Medical Staff. In accordance with policies and procedures to be determined by the UMCMC Board of Directors, the Hospital's current medical staff will be credentialed and/or recredentialed by UMCMC's governing body upon transition of the Hospital to UMCMC;

(e) Medical Records. The Parties will arrange for UMCMC to become the custodian of the Hospital's patient records for the period prior to the Commencement Date and maintain such records in accordance with the Legal Requirements, provided that LSU and its agents and attorneys shall have access to such records as needed for litigation and other appropriate purposes in accordance with the Legal Requirements; and

(f) Transition Support Services. UMCMC shall contract with LSU for certain support services during a transition period, including, without limitation, certain information technology, billing and collections, and other support and maintenance services.

ARTICLE X. LSU REPRESENTATIONS AND WARRANTIES

LSU represents and warrants that the statements contained in this Article are correct and complete as of the date of this CEA.

Section 10.1 Organization and Standing. LSU is a public constitutional corporation organized under the laws of Louisiana. LSU is validly existing and in good standing under the laws of Louisiana, with full power and authority to perform all of its obligations under this CEA.

Section 10.2 Authority; No Conflict.

(a) This Agreement constitutes the legal, valid and binding obligation of LSU, enforceable against it in accordance with its terms, and any other agreement executed and delivered by LSU in connection with this Agreement will constitute the legal, valid and binding

obligation of LSU, enforceable against it in accordance with its terms. LSU has the power and authority to execute and deliver this Agreement and such other documents to which it is a party and such action has been duly authorized by all necessary action by LSU's Board of Supervisors. A copy of the authorizing consent resolution or meeting minutes as certified by LSU's board secretary is attached as Exhibit 10.2(a).

(b) Neither the execution and delivery of this Agreement nor the consummation or performance of any of the Contemplated Transactions hereby will, directly or indirectly (with or without notice or lapse of time):

- (i) Breach any resolution adopted by LSU's Board of Supervisors;
- (ii) Cause UMCMC or LCMC to become subject to, or to become liable for the payment of, any Liability of LSU; or
- (iii) Result in the LSU GME Programs violating any rules, policies, procedures or accreditation requirements of ACGME or otherwise result in (A) the LSU GME Programs ceasing to be accredited by ACGME, (B) the LSU GME Programs ceasing to be funded by DOA, or (C) LSU ceasing to comply with or satisfy any CMS reimbursement requirements or regulations applicable to the LSU GME Programs.

(c) LSU warrants that it will not take any action, fail to take any action, enter into any agreement or consummate any transaction that would prevent LSU from performing the Contemplated Transactions or performing its obligations under this Agreement or any agreement delivered in connection with this Agreement or otherwise have a Material Adverse Effect on the Hospital or the LSU GME Programs without the prior written consent of an authorized representative of UMCMC.

Section 10.3 Employee Benefits. No event has occurred that would result in, and consummation of the Contemplated Transactions shall not result in, UCMCMC incurring any Liability for any Benefit Plan of LSU or to any employee of LSU with respect to such Benefit Plan of LSU or to any employee of LSU with respect to such Benefit Plans, to the extent such plans are established and administered by LSU. LSU has and will comply with all of the requirements of the Consolidated Omnibus Budget Reconciliation Act of 1985 with respect to all of its employees, including but not limited to the LSU Personnel, before and after the Commencement Date.

Section 10.4 Compliance with Legal Requirements. To LSU's Knowledge, LSU Personnel have operated the Hospital and the LSU GME Programs in compliance with all Legal Requirements, including Health Care Laws. To LSU's Knowledge, in connection with LSU's operation of the Hospital and LSU GME Programs, neither (i) LSU nor any LSU Personnel has received or made any payment or any remuneration whatsoever to induce or encourage the referral of patients or the purchase of goods and/or services as prohibited under any state law or Health Care Law, nor (ii) has any Governmental Body or third-party payer formally alleged in writing or LSU received any notice of any violation of any Health Care Law within the last ten (10) years. Without limiting the generality of the foregoing:

(a) Permits, Licenses and Accreditation. The Hospital has all permits and licenses and other governmental authorizations required by all Legal Requirements and is not in violation of any of said permitting or licensing requirements. The Hospital is owned and duly licensed by the State and operated by LSU as a general acute care hospital. LSU has all permits and licenses necessary for the proper operation of the Hospital and LSU GME Programs, including a valid Medicare provider number. The LSU GME Programs are

accredited by ACGME and, to LSU's Knowledge, are in compliance with the ACGME requirements necessary for accredited GME programs.

(b) Medicare/Medicaid Participation. The Hospital and all LSU Personnel who are medical providers are participating in or otherwise authorized to receive reimbursement from Medicare and Medicaid. All necessary certifications and contracts required for participation in such programs are in full force and effect and have not been amended or otherwise modified, rescinded, revoked or assigned, and, to LSU's Knowledge, no condition exists or event has occurred which in itself or with the giving of notice or the lapse of time or both would result in the suspension, revocation, impairment, forfeiture or non-renewal of any such third-party payer program, or the obligation to make any repayment with respect to any federal health care program. No LSU Personnel is an Excluded Provider.

(c) Fraud and Abuse. To LSU's Knowledge, neither the Hospital nor LSU Personnel has engaged in any activities which are prohibited under any Health Care Law, or the regulations promulgated thereunder pursuant to such statutes, or related state or local statutes or regulations, or which are prohibited by rules of professional conduct, including the following: (i) knowingly and willfully making or causing to be made a false statement or representation of a fact in any application for any benefit or payment; (ii) knowingly and willfully making or causing to be made any false statement or representation of a fact for use in determining rights to any benefit or payment; (iii) knowingly and willingly concealing any event affecting the initial or continued right to receive any benefit or payment with intent to fraudulently secure such benefit or payment in an amount or quantity greater than that which is due or which is authorized; or (iv) knowingly and willfully soliciting or receiving any remuneration (including any kickback, bribe, or rebate), directly or indirectly, overtly or

covertly, in cash or in kind or offering to pay or receive such remuneration (1) in return for referring an individual to a person for the furnishing or arranging for the furnishing of any item or service for which payment may be made in whole or in part by Medicare or Medicaid or (2) in return for purchasing, leasing, or ordering or arranging for or recommending purchasing, leasing or ordering any good, facility, service or item for which payment may be made in whole or in part by Medicare or Medicaid. LSU is not a party to any corporate integrity agreement or similar settlement, compliance or oversight agreement with any Governmental Body relating to LSU's services provided at the Hospital.

Section 10.5 Legal Proceedings; Orders. There is no Order to which LSU is subject that would limit or affect LSU's ability to enter into this Agreement or consummate the Contemplated Transactions. Except as set forth on Schedule 10.5 of the LSU Disclosure Schedules, there is no Proceeding pending, or to LSU's Knowledge threatened against, or affecting the Hospital, LSU GME Programs, or any LSU Personnel

Section 10.6 Insurance; Malpractice. All clinical LSU Personnel have been continuously insured for professional malpractice claims during the lesser of (i) the last three (3) years, or (ii) the period during which such LSU Personnel has been authorized to provide professional medical services on behalf of LSU. All clinical LSU Personnel are "qualified state health care providers" as defined in LA R.S. 40:1299.39, et seq., and are thus named insureds covered under the State's professional liability insurance administered through the Office of Risk Management within DOA. To LSU's Knowledge, no LSU Personnel is in default with respect to any provision contained in any policy covering the professional acts of such LSU Personnel and none of them has failed to give any notice or present any claim under any such policy in a due and timely fashion. LSU has maintained in effect and continues to

maintain in effect such other policies of insurance as are customary for an academic medical center of size and scope of the operations of LSU, with such limits and other terms of coverage as are commercially reasonable for an academic medical center similar in size and scope to LSU.

Section 10.7 Taxes.

(a) With respect to the Hospital, LSU has, to its Knowledge, filed, all federal, state, county and local tax returns it is required to file, including, without limitation, income, sales, single business, payroll, premium, withholding, informational, real estate, school and, personal property tax returns, required to be filed and, such returns have been duly prepared and filed and were true, correct, and complete. All taxes due by reason of the operations conducted by LSU with respect to the Hospital have, to LSU's Knowledge, been paid, including, without limitation, all taxes which LSU is obligated to withhold from accounts owing to employees, creditors, and third parties. There is no tax lien, whether imposed by any federal, state, county or local taxing authority outstanding against the assets, properties or businesses of LSU as they relate to the Hospital. Other than regular property assessments, there is no pending examination or proceeding by any authority or agency relating to the assessment or collection of any such taxes, interest, or penalties thereon, nor to LSU's Knowledge does there exist any facts that would provide a basis for any such assessment. With respect to the Hospital, LSU has not filed any consent or agreement to extend the period for assessment or collection of any such taxes.

(b) Except as set forth in Schedule 10.7(b) of the LSU Disclosure Schedules, the Hospital is exempt from Federal income tax under the applicable provisions of the Internal Revenue Code ("IRC") and the Hospital is a "hospital" within the meaning of Section 170(b)(1)(A)(iii) of the IRC. LSU is not aware of any proceeding, pending or threatened, or of

any existing circumstances, which could reasonably be anticipated to result in the loss or revocation of any of the aforementioned exemptions held by LSU or the imposition of tax liability which would have a Material Adverse Effect on the business and operations of the Hospital.

Section 10.8 Contracts and Other Commitments.

(a) LSU has provided to UMCMC copies of all material written agreements and all material oral understandings including, but not limited to, all material provider contracts, material management agreements, material leases and material services contracts to which the Hospital will be subject on the Commencement Date. For the purposes of this Section 10.8, “material” shall mean any agreement or understanding having an aggregate value of at least Fifty Thousand Dollars (\$50,000), and each such agreement or obligation is listed in Schedule 10.8(a) of the LSU Disclosure Schedules.

(b) Schedule 10.8(b) of the LSU Disclosure Schedules lists the following contracts, agreements and understandings, whether or not the same have been reduced to writing: (a) all agreements with health care providers from which the Hospital receives referrals of patients; (b) all agreements involving or affecting the Hospital that are not terminable by LSU upon twelve (12) months or less notice; and (c) all joint venture, partnership, residency training agreement, or affiliation agreements involving or affecting Hospital.

(c) To LSU’s Knowledge, each such material contract or commitment is a valid and binding obligation of the parties thereto, enforceable in accordance with its terms (subject to bankruptcy, insolvency, reorganization, moratorium and other laws affecting

creditors' rights generally and except for limitations upon the availability of equitable remedies, including specific performance).

Section 10.9 Reimbursement Contracts. CMS has not, during the past five (5) years, refused to enter into or has terminated any participation agreement pursuant to which the Hospital was entitled to reimbursement for services or facilities provided to patients. LSU is a party to contracts with Medicare and Medicaid with respect to payment for services to beneficiaries and is eligible to participate therein, which contracts and certification are currently in full force and effect, and to LSU's Knowledge no event has occurred which, with or without the giving of notice or passage of time or both, would constitute a material default thereunder.

Section 10.10 Cost Reports. LSU has delivered to LCMC true and exact copies of (i) all cost reports which LSU has filed with Medicare and Medicaid for the last three (3) years with respect to the Hospital, as well as all correspondence and other documents relating to any disputes and/or settlements with Medicare or Medicaid within the last five (5) years regarding the Hospital; and (ii) all appraisal reports, surveys, or other documents which evaluate or describe any of the assets of any of the Hospital. The Medicare and Medicaid cost reports of the Hospital were filed when due. Except for disputes between LSU and the intermediary which concern the payment of an individual claim (as opposed to such disputes concerning the right of LSU to receive Medicare or Medicaid reimbursement generally or to participate in the Medicare or Medicaid programs), there is no dispute between LSU and any governmental authorities or the Medicare fiscal intermediary, or any other amounts owing by LSU, regarding any open cost reporting periods, and UMCMC shall have no liability with respect to any cost reports for any open cost reporting periods, other than with respect to adjustments thereto made in the ordinary course of business which do not involve amounts in excess of One Hundred Thousand Dollars

(\$100,000) in the aggregate. LSU will file the closing cost report for period through June 23, 2013.

(a) Medicare and Medicaid Certification. With respect to the Hospital, LSU has met and does meet, without material exception, the conditions for participation in the Medicare and Medicaid programs, and LSU does not have Knowledge of any pending or threatened proceeding or investigation under such programs involving the Hospital or any basis for the revocation or limitation on such participation. To LSU's Knowledge, there is no pending or threatened criminal, civil, or administrative action, audit, or investigation by a fiscal intermediary or by the federal government with respect to the Hospital, which could reasonably be anticipated to affect adversely the right of the Hospital to receive Medicare and Medicaid reimbursement or to participate in the Medicare and Medicaid programs, or which could reasonably be anticipated to otherwise have an adverse effect on the receipt of Medicare and Medicaid reimbursement by the Hospital.

Section 10.11 Interim Changes. Except as set forth in Schedule 10.11 of the LSU Disclosure Schedules, after January 1, 2013, there has not been:

(a) Any change in the financial condition, assets, liabilities, properties or results of operation of either of the Hospital which has had or could reasonably be expected to have, in the aggregate, a Material Adverse Effect on the Hospital;

(b) Any damage, destruction or loss, whether or not covered by insurance, which has had or could reasonably be expected to have, in the aggregate, a Material Adverse Effect on the Hospital;

(c) Any disposition which has or could have a Material Adverse Effect on the Hospital of any property, rights or other assets owned by or employed by it other than in the ordinary course of business;

(d) Any amendment or termination of any material contract which has had or could have, in the aggregate, a Material Adverse Effect on the Hospital;

Section 10.12 Full Disclosure. No representation or warranty made by LSU in this Agreement contains or will contain any untrue statement of fact or omits or will omit to state a fact necessary to make the statements contained herein or therein not misleading.

**ARTICLE XI.
STATE REPRESENTATIONS AND WARRANTIES**

The State, through DOA, represents and warrants that the statements contained in this Article XI are correct and complete as of the date hereof.

Section 11.1 Organization and Standing.

(a) The State of Louisiana has full power and authority to perform its obligations under this CEA.

(b) DOA is an agency within the Office of the Governor and DHH is a department of the State of Louisiana, each of which validly exist under the laws of Louisiana, with full power and authority to act on behalf of the State in performing its obligations under this CEA, if any.

Section 11.2 Enforceability; Authority; No Conflict.

(a) This Agreement constitutes the legal, valid and binding obligation of the State, through DOA, enforceable against it in accordance with its terms. Upon the execution and delivery of any document or agreement to be executed in connection with this Agreement, each such other agreement will constitute the legal, valid and binding obligation of the State,

through DOA, enforceable against the State, through DOA, in accordance with its terms. DOA has the absolute and unrestricted right, power and authority to execute and deliver such other documents to which it is a party and to perform its obligations under this Agreement and such other documents.

(b) Neither the execution and delivery of this Agreement nor the consummation or performance of any of the Contemplated Transactions hereby will, directly or indirectly (with or without notice or lapse of time):

(i) Breach any applicable governing statutes or authorities;

(ii) To DOA's Knowledge, give any Governmental Body or other person the right to validly challenge any of the Contemplated Transactions, or to exercise any remedy or obtain any relief under, any Legal Requirement to which the State may be subject;

(iii) Contravene, conflict with or result in a violation or breach of any of the terms or requirements of, or give any Governmental Body the right to revoke, withdraw, suspend, cancel, terminate or modify, any Governmental Authorization that is held by the State; or

(iv) Cause UMCMC or LCMC to become subject to, or to become liable for the payment of, any Liability of the State.

(c) The State, through DOA, warrants that it will not take any action, fail to take any action, enter into any agreement or consummate any transaction that would prevent the State from performing the Contemplated Transactions or performing its obligations under this Agreement or any agreement delivered in connection with this Agreement or otherwise

have a Material Adverse Effect on the Hospital without the prior written consent of an authorized representative of UMCMC.

Section 11.3 Employee Benefits. No event has occurred that would result in, and consummation of the Contemplated Transactions shall not result in, UMCMC incurring any Liability for any Benefit Plan of the State or to any employee of the State with respect to such Benefit Plans.

Section 11.4 Legal Proceedings; Orders. To DOA's and the State's Knowledge, there is no Order to which the State is subject that would limit or affect the State's or DOA's ability to enter into this Agreement or consummate the Contemplated Transactions.

Section 11.5 Full Disclosure. No representation or warranty made by the State in this Agreement contains or will contain any untrue statement of fact or omits or will omit to state a fact necessary to make the statements contained herein or therein not misleading.

ARTICLE XII. UMCMC REPRESENTATIONS AND WARRANTIES

UMCMC represents and warrants that the statements contained in this Article XII are correct and complete as of the date hereof.

Section 12.1 Organization and Good Standing. UMCMC is a nonprofit Louisiana corporation. UMCMC is validly existing and in good standing under the laws of the State of Louisiana, with full corporate power and authority to perform all its obligations under this Agreement.

Section 12.2 Enforceability; Authority; No Conflict.

(a) This Agreement constitutes the legal, valid and binding obligation of UMCMC, enforceable against it in accordance with its terms subject as to enforcement of remedies to the discretion of courts in awarding equitable relief and to applicable bankruptcy,

reorganization, insolvency, moratorium and similar laws affecting the rights of creditors generally. Upon the execution and delivery by UMCMC of the Master Hospital Lease, Equipment Lease, Right of Use Agreement and Member Substitution Agreement (each, an “Ancillary Agreement”), each such Ancillary Agreement will constitute the legal, valid and binding obligation of UMCMC, enforceable against it in accordance with its terms subject as to enforcement of remedies to the discretion of courts in awarding equitable relief and to applicable bankruptcy, reorganization, insolvency, moratorium and similar laws affecting the rights of creditors generally. UMCMC has the corporate power and authority to execute and deliver this Agreement and each Ancillary Agreement, and such action has been duly authorized by all necessary action by UMCMC’s Board of Directors and members. A copy of the authorizing resolutions or certified meeting minutes are attached as Exhibit 12.2(a).

(b) Neither the execution and delivery of this Agreement nor the Ancillary Agreements, directly or indirectly (with or without notice or lapse of time):

(i) will breach (A) any provision of any of the governing documents of UMCMC, as amended or restated, or (B) any resolution adopted by UMCMC’s Board of Directors;

(ii) will contravene, conflict with or result in a violation or breach of any of the terms or requirements of, or give any Governmental Body the right to revoke, withdraw, suspend, cancel, terminate or modify, any Governmental Authorization that is held by UMCMC;

(iii) will result in the creation of any lien, charge, or encumbrance of any kind against UMCMC’s assets except as contemplated therein or the acceleration of any indebtedness or other obligation of UMCMC;

(iv) are prohibited by, materially violate or conflict with any provision of, and constitute a default under or a breach of (x) any judgment, decree, order, regulation or rule of any court or regulatory authority applicable to UMCMC, or (y) any law, statute, rule, regulation, order, writ, injunction, judgment or decree of any court or governmental authority or arbitration tribunal to which UMCMC is subject; or

(v) will have a Material Adverse Effect upon any contract, lease, agreement, indenture, mortgage, pledge, lease, sublease, option or commitment to which UMCMC is a party or by which UMCMC is bound, or any assignment, permit, license, approval or other commitment to which UMCMC is a party or by which UMCMC is bound.

Section 12.3 No Operations. UMCMC has conducted no operations, has not had any employees and holds no licenses or permits.

Section 12.4 Legal Proceedings; Orders. There is no Order to which UMCMC is subject that limits or adversely affects UMCMC's ability to execute and deliver this Agreement. There is no material Proceeding pending against UMCMC.

Section 12.5 Insurance. DOA's Office of Risk Management has issued a certificate of insurance to LSU which shows UMCMC as insured thereon.

Section 12.6 Compliance with Legal Requirements. To UMCMC's Knowledge, UMCMC has operated in compliance with all Legal Requirements, including Health Care Laws. Neither UMCMC nor any director, officer, or agent of UMCMC is an Excluded Provider. UMCMC is not a party to any corporate integrity agreement or similar settlement, compliance or oversight agreement with any Governmental Body.

Section 12.7 Title to Assets. UMCMC does not own or lease any real property, personal property, or intellectual property.

Section 12.8 Contracts, Leases, Indebtedness. Except for those agreements previously provided to LCMC, UMCMC is not a party to any contract, lease, or agreement. UMCMC has no indebtedness for borrowed funds.

Section 12.9 Undisclosed Liabilities. To UMCMC's Knowledge, other than amounts owing for professional services and owing to LCMC under the management agreement between UMCMC and LCMC, UMCMC does not have any liabilities or obligations of any nature whatsoever, due or to become due, accrued, absolute, contingent or otherwise, that would have a Material Adverse Effect on UMCMC.

Section 12.10 Financial Statements. UMCMC has provided LCMC with a copy of the "UMCMC Financial Statements" (as defined below). The UMCMC Financial Statements (a) were prepared in accordance with UMCMC's books of account and other financial records and (b) present fairly in all material respects the financial condition and results of UMCMC's business operations as of the respective dates thereof and for the respective periods covered thereby. For purposes of this Agreement, the term "UMCMC Financial Statements" shall mean UMCMC's audited financial statements for the fiscal year ended 2011.

Section 12.11 Taxes/Tax Returns. Pursuant to a letter from the IRS dated January 11, 2006, UMCMC (then named Earl K. Long Medical Foundation, Inc.) was recognized as exempt from federal income tax under Section 501(c)(3) of the IRC. UMCMC has no knowledge of any action by the Internal Revenue Service to revoke or terminate its tax exempt status. UMCMC has filed, or has caused to be filed, on a timely basis and subject to all permitted extensions, all tax returns with appropriate governmental agencies in all jurisdictions

in which such tax returns are required to be filed, and all such tax returns were correct and complete. All taxes that are shown as due on such tax returns, if any, have been timely paid, or delinquencies cured with payment of any applicable penalties and interest.

**ARTICLE XIII.
LCMC REPRESENTATIONS AND WARRANTIES**

LCMC represents and warrants that the statements contained in this Article XIII are complete and correct as of the date hereof.

Section 13.1 Organization and Standing. Each of LCMC, Touro and Children's is validly existing and in good standing under the laws of the State of Louisiana, with full power and authority to conduct its operations as it is now being conducted, to own or use the properties and assets that it purports to own or use, and to perform all its obligations under this Agreement.

Section 13.2 Authority to Enter into Agreement; Consent. LCMC has all corporate right, power, legal capacity and authority to enter into and perform its respective obligations under this Agreement. No approvals or consents of any persons are necessary for the execution, delivery and performance of this Agreement by LCMC, except those that have been obtained or will be obtained prior to the close of each of the Contemplated Transactions. The execution and delivery of the Agreement by LCMC, and the performance by LCMC of all of its obligations hereunder, have been duly authorized by all necessary corporate action. The Agreement is a valid obligation, of LCMC, enforceable against LCMC in accordance with its terms.

Section 13.3 Enforceability; Authority; No Conflict.

(a) This Agreement constitutes the legal, valid and binding obligation of LCMC, enforceable against it in accordance with its terms. Upon the execution and delivery

by LCMC, of any document or agreement to be executed in connection with this Agreement, each other agreement will constitute the legal, valid and binding obligation of LCMC, enforceable against it in accordance with its terms. LCMC has the absolute and unrestricted right, power and authority to execute and deliver this Agreement and such other documents to which it is a party and to perform its obligations under this Agreement and such other documents, and such action has been duly authorized by all necessary action by LCMC Board. A copy of the authorizing consent resolution or certified meeting minutes is attached as Exhibit 13.3(a).

(b) Neither the execution and delivery of this Agreement nor the consummation or performance of any of the Contemplated Transactions hereby will, directly or indirectly (with or without notice or lapse of time):

(i) Breach (A) any provision of any of the Governing Documents of LCMC or (B) any resolution adopted by LCMC's Board;

(ii) Contravene, conflict with or result in a violation or breach of any of the terms or requirements of, or give any Governmental Body the right to revoke, withdraw, suspend, cancel, terminate or modify, any Governmental Authorization that is held by LCMC.

Section 13.4 Financial Statements. LCMC has furnished to LSU (i) LCMC's audited consolidated financial statements for the three (3) most recent fiscal years and the balance sheet and the related statements of income, and changes in financial position of LCMC for the three (3) most recent fiscal years with available reports thereon from an independent certified public accounting firm, (the "Audited Financial Statements") including any management letters regarding the operations of LCMC with respect to such fiscal year, and (ii)

unaudited interim financial statements for the monthly periods from the close of the most recently completed fiscal year through March 31, 2013, or if LCMC prepares unaudited interim financial statements on a quarterly basis, for the last quarter which ended no more than ninety (90) calendar days prior to the date of execution of this Agreement, and shall furnish such unaudited interim financial statements for the monthly or quarterly periods, respectively, through the month or quarter ending immediately prior to the Commencement Date (collectively referred to as the “Unaudited Financial Statements”) (the Audited Financial Statements and the Unaudited Financial Statements are sometimes referred to herein collectively as the “Financial Statements”). The Financial Statements have been prepared in accordance with generally accepted accounting principles (“GAAP”) consistently applied (except, in the case of the Unaudited Financial Statements, for the absence of footnotes and year-end adjustments), reflect all liabilities of LCMC, Touro and Children’s, including all contingent liabilities, and fairly present the financial position of LCMC, Touro and Children’s and the results of operations and changes in financial position as of the dates and for the periods specified. Except as set forth in the Financial Statements, none of LCMC, Touro or Children’s has incurred any liability other than in the ordinary course of business. Since the date of the most recent Audited Financial Statements, none of LCMC, Touro or Children’s has incurred any liabilities other than in the ordinary course of business and consistent with past practice.

Section 13.5 Compliance with Legal Requirements. To LCMC’s Knowledge, LCMC, Touro and Children’s have each materially operated in material compliance with the Legal Requirements, including applicable Health Care Laws, which would affect the ability of LCMC, Children’s and Touro to continue to operate as providers under any federal or state health care program. To LCMC’s Knowledge, none of LCMC, Touro or Children’s

currently employed staff has received or made any payment or any remuneration whatsoever to induce or encourage the referral of patients or the purchase of goods and/or services as prohibited under any state law or Health Care Law, nor has any Governmental Body or third-party payer formally alleged in writing any violation of Health Care Law by LCMC, Touro, or Children's, or any of their currently employed staff, within the last ten (10) years. Without limiting the generality of the foregoing:

(a) Permits and Licenses. LCMC, Touro and Children's each has, or shall have at the time such services are performed, all permits and licenses and other Governmental Authorizations required by all Legal Requirements for the operation of LCMC, Touro and Children's, and are not in material violation of any of said permitting or licensing requirements. Touro and Children's are currently duly licensed by the State of Louisiana.

(b) Medicare/Medicaid Participation. Touro and Children's are participating in or are otherwise authorized to receive reimbursement from Medicare and Medicaid. All necessary certifications and contracts required for participation in such programs are in full force and effect and have not been amended or otherwise modified, rescinded, revoked or assigned, and, to LCMC's Knowledge, no condition exists or event has occurred which would result in the suspension, revocation, impairment, forfeiture or non-renewal of any such third-party payer program. None of LCMC, Touro or Children's is an Excluded Provider.

Section 13.6 Legal Proceedings; Orders. There is no pending Proceeding that challenges, or that may have the effect of preventing, delaying, making illegal or otherwise interfering with, any of the Contemplated Transactions. To LCMC's Knowledge, no event has occurred or circumstance exists that is reasonably likely to give rise to, or serve as a basis for, the commencement of any such Proceeding which is reasonably likely to result in an

inability to perform the terms and conditions of this Agreement. There is no Order is subject that would limit or affect LCMC's ability to enter into this Agreement or consummate the Contemplated Transactions.

Section 13.7 Insurance; Malpractice. Touro and Children's are, and have been for the past three consecutive (3) years, qualified health care providers covered under the provisions of the Louisiana Medical Malpractice Act, La. R.S. 40:1299.41, *et seq.*, and are, and have been for the past three consecutive (3) years, members of the Louisiana Patient's Compensation Fund.

Section 13.8 Full Disclosure. No representation or warranty made by LCMC in this Agreement contains or will contain any untrue statement of fact or omits or will omit to state a fact necessary to make the statements contained herein or therein not misleading.

Section 13.9 Definition of Knowledge. For purposes of this Article, the term "Knowledge" shall mean the actual knowledge of (i) the President and Chief Executive Officer and (ii) the Chief Financial Officer of LCMC.

ARTICLE XIV. FURTHER COVENANTS OF THE PARTIES

The Parties covenant that between the Effective Date and the Commencement Date:

Section 14.1 Master Collaborative Agreement. LSU and UMCMC will enter into the Master Collaborative Agreement and its associated agreements.

Section 14.2 Compliance with ACGME Requirements. The Parties shall use commercially reasonable efforts to cause the LSU GME Programs to maintain their accreditation by ACGME and to cause the LSU GME Programs to continue to be in material compliance with all ACGME rules, regulations, policies, procedures and other accreditation requirements. UMCMC and LCMC shall use commercially reasonable efforts to cause the

Hospital to maintain its status as a Major Participating Site as defined by the ACGME and in compliance with all ACGME rules, regulations, policies, procedures and other accreditation requirements.

Section 14.3 Third Party Consents and Approvals. The Parties will have obtained all consents, approvals, Orders or authorizations of, or registrations, declarations or filings with any Person required in connection with the execution, delivery or performance of this CEA.

Section 14.4 Continuation of Hospital Operations. From the Effective Date of this Agreement until the earlier of the Commencement Date or the termination of this Agreement, LSU shall, and shall cause the Hospital to: (i) conduct the Hospital's operations in the ordinary course; and (ii) use commercially reasonable efforts to maintain in all material respects the assets, properties and business organizations and current relationships and goodwill with their respective customers, suppliers and payors of the Hospital.

Section 14.5 Preservation of Property. From the Effective Date of this Agreement until the earlier of the Commencement Date or the termination of this Agreement, LSU shall not sell, transfer, lease, sublease, license or otherwise dispose of any material properties or assets (real, personal or mixed, including intangible property) of the New Facility or Interim Facility, other than in the ordinary course of business.

Section 14.6 Further Acts and Assurances. The Parties shall, at any time and from time to time at and after the execution of this Agreement, upon request of another Party, take any and all steps reasonably necessary to consummate the Contemplated Transactions, and will do, execute, acknowledge and deliver, or will cause to be done, executed, acknowledged and delivered, all such further acts, deeds, assignments, transfers, conveyances,

powers of attorney and assurances as may be required to consummate the Contemplated Transactions.

**ARTICLE XV.
TERM AND TERMINATION**

Section 15.1 Term. Unless earlier terminated as provided herein, the Term of this Agreement shall begin on the Effective Date and shall expire five (5) years following the Commencement Date (the “Initial Term”) and will automatically renew for five (5) year terms under the same terms and conditions herein (each a “Renewal Term”), unless UCMCMC provides at least two hundred seventy (270) days’ advance notice, prior to the expiration of the then-current term of this Agreement, of its intent to not renew this CEA

Section 15.2 Early Termination. This Agreement shall terminate prior to the expiration of the Term only in accordance with this Section 15.2, and for no other reason, including, without limitation, any Breach of this CEA, the Master Collaborative Agreement or other agreement related to the Contemplated Transactions. Any early termination of this CEA shall be subject to the six (6) month Termination Wind Down Period in Section 15.4. Subject to the foregoing, this CEA may terminate prior to the expiration of the Term for the following (each a “Terminating Event”):

- (a) upon the mutual agreement of all Parties;
- (b) there is a change in (or a new interpretation of) the law, whether statutory, regulatory or other position or rule set forth by a Governmental Body, that has a Material Adverse Effect on any of the Parties, and the Parties are unable to agree, following the process in Section 19.4, on terms to amend the CEA or otherwise address the consequences of the change in or new interpretation of the law. If the Parties agree that a change in laws or interpretation thereof has a Material Adverse Effect on any of the Parties and are unable to

reach a new agreement or otherwise address the consequences of the change in or new interpretation of the law, no Party shall be liable or responsible for any damages suffered by any other Party as a result of a termination pursuant to this subsection, provided that the State shall return to UMCMC the payments described in Section 15.3(f); or

(c) Termination prior to its term or expiration of the Master Hospital Lease or Right of Use Agreement in accordance with its terms, provided that this CEA will not terminate upon the mutual determination of the Parties.

Section 15.3 Effects of Termination. Subject to the Termination Wind Down Period in Section 15.4, the following shall apply consistent with the Termination Wind Down Period:

(a) Each Party shall surrender possession, and deliver to another Party, all property belonging to the other Party, update and complete all files, records and charts and cooperate with each other as may be necessary to insure uninterrupted treatment of patients;

(b) Each Party shall cooperate in the defense of any claims or suits for acts or omissions occurring during the term of this Agreement;

(c) UMCMC shall vacate facilities owned by LSU;

(d) The Master Hospital Lease and Right of Use Agreement shall terminate;

(e) Ownership of the Hospital's Medicare and Medicaid Provider Numbers shall be transferred to LSU; and

(f) If the termination is for reasons provided in Section 15.2(a), (b), or (c), the State shall return to UMCMC (i) unearned prepaid rent under the terms of the Master Hospital Lease and any related lease for the New Facility entered into by the Parties in accordance with Section 4.1(d) ("Prepaid Rent"), and (ii) the value as of the termination date of unamortized

capital expenditures computed on a GAAP basis made by UMCMC or an LCMC Affiliate to the New Facility and other buildings and other capital improvements paid for by LCMC or UMCMC on the land subject to the Right of Use Agreement and not part of the New Facility (“Unamortized Improvements”).

Section 15.4 Wind Down Period Upon Termination. Any early termination of this Agreement allowed under Article XV shall be subject to a period not to exceed six (6) months (the “Termination Wind Down Period”), if applicable, during which the Parties will transition Hospital operations in an orderly fashion to assure the Public Purpose continues to be satisfied at all times. Upon the occurrence of an event giving rise to an early termination right under Section 15.2, any Party may give written notice to the other Parties of its intent to terminate this CEA. The Termination Wind Down Period shall begin two (2) days after the terminating Party or Parties give notice of intent to terminate (the “Wind Down Commencement Date”) and end on the six (6) month anniversary of the Wind Down Commencement Date. Subject to the ultimate authority of the UMCMC Board of Directors, during the Termination Wind Down Period, LSU, DOA, UMCMC and LCMC will establish a transition committee consisting of at least eight (8) people, with each of LSU, DOA, UMCMC, and LCMC appointing an equal number of members to the committee, to work with the UMCMC Board of Directors in the transition of Hospital operations. The Tulane representative on the UMCMC Board of Directors shall serve on the transition committee. To the extent necessary and applicable, the Parties will continue to comply with the terms and conditions of this Agreement during the Termination Wind Down Period.

**ARTICLE XVI.
LCMC WITHDRAWAL**

Section 16.1 Limitations on Withdrawal. LCMC shall be allowed or required, as applicable, to withdraw as a member of UMCMC prior to the expiration of the Term of this CEA (a “Member Withdrawal”) only in accordance with this Article XVI, and for no other reason, including, without limitation, any Breach of this CEA, the Master Collaborative Agreement or other agreement related to the Contemplated Transactions. With the exception of Member Withdrawals in accordance with Section 16.2(f) or Section 16.4(a), which are subject to an accelerated withdrawal process, any Member Withdrawal shall be subject to six (6) month Transition Period provided in Section 16.8. Except as otherwise provided for in Section 17.2(c), in the event that LCMC withdraws as a member of UMCMC, LCMC and LCMC Affiliates will forbear collection of any and all loans made to UMCMC prior to the Member Withdrawal Date.

Section 16.2 Elective Withdrawal Events. Subject to the Parties’ good faith participation in the Pre-Withdrawal Process set forth in Section 16.6, except as provided herein, upon the occurrence of one or more of the following events (each, a “Potential Elective Withdrawal Event”), LCMC shall have the option to withdraw from UMCMC in accordance with Section 16.7:

- (a) Mutual agreement of all the Parties;
- (b) Any action, or pattern or practice of action, by LSU that is materially inconsistent with the Public Purpose of this Cooperative Endeavor Agreement;
- (c) Any final, non-appealable judgment against a Public Party in favor of UMCMC or LCMC that remains unpaid for more than one (1) year from the date of the final judgment;

(d) A Public Party fails to perform or observe any covenant, term or condition of this Agreement to be performed by it which is solely within such Party's ability to satisfy and which has a Material Adverse Effect on LCMC or UMCMC's ability to perform its obligations under this CEA; or

(e) A Public Party shall have made any representation or warranty in this Agreement or in any document or certificate which is executed by such Party incident to this Agreement, which is at any time found to have been inaccurate in any material respect at the time such representation or warranty was made and the consequences of such inaccuracy has a Material Adverse Effect on LCMC's or UMCMC's ability to perform its obligations under this CEA, provided that inaccuracies that are not the result of intentional misrepresentation, and which inaccuracies are corrected at or prior to the Commencement Date, shall be excused.

(f) LCMC may withdraw as a member of UMCMC, without cause, upon sixty (60) days' advance written notice to LSU. In determining whether to exercise its without cause withdrawal right, LCMC will act in good faith and with full consideration of the ability of UMCMC to be financially viable and sustainable, which determination will be made by LCMC's Board of Trustees only after opportunity for consultation and input by LSU and Tulane, pursuant to the Consultative Process, as well as any other academic partners, provided that their curative efforts shall not delay or extend the sixty (60) day period. This Potential Elective Withdrawal Event shall not otherwise be subject to Sections 16.6, 16.8, or 16.9.

Section 16.3 Other Effects of Elective Withdrawal. Subject to the provisions of Section 17.2(a) regarding stipulated damages in the event of LCMC's elective withdrawal as a member of UMCMC, upon LCMC's elective withdrawal, LCMC and UMCMC shall be entitled to pursue any damages or remedies available at law.

Section 16.4 Involuntary Withdrawal Events. Subject to the Parties' good faith participation in the process set forth in Section 16.6, except as provided herein, upon the occurrence of one or more of the following events (each, a "Potential Involuntary Withdrawal Event"), LSU shall have the option to compel LCMC to withdraw as a member of UMCMC in accordance with Section 16.7:

(a) Any action, or pattern or practice of action, by LCMC or UMCMC that is materially inconsistent with the Public Purpose of this CEA. Notwithstanding any six (6) month or other wind-down period provision herein to the contrary, to compel LCMC to withdraw as a member of UMCMC under this provision, LSU shall provide sixty (60) days' advance written notice of its intent to compel LCMC to withdraw from UMCMC. Such notice shall include a detailed description of the basis for such event. During such sixty (60) day period, the Parties agree to engage in the Consultative Process to attempt to resolve this Potential Involuntary Withdrawal Event; also during such sixty (60) day period, UMCMC and LCMC may attempt to cure this Potential Involuntary Withdrawal Event, provided that their curative efforts shall not delay or extend the sixty (60) day period. Also during such sixty (60) day period, LCMC may give notice of its intent to withdraw as a member of UMCMC without cause as set forth in Section 16.2(f); provided, however, that in such event LCMC shall not be entitled to any remedies in Section 17.2, unless it has first cured this Potential Involuntary Withdrawal Event to the approval of LSU, which approval shall not be unreasonably withheld in consideration of the Public Purpose per Article I of this CEA, during such sixty (60) day period. If the Consultative Process does not resolve the Potential Involuntary Withdrawal Event and if UMCMC and LCMC do not cure the Potential Involuntary Withdrawal Event to the approval of LSU, which approval shall not be unreasonably withheld in consideration of

the Public Purpose per Article I of this CEA, and if LCMC does not elect to withdraw as a member of UMCMC without cause as set forth in Section 16.2(f), then LSU may issue a Withdrawal Notice, as that term is defined in Section 16.7. Upon the issuance of such Withdrawal Notice, LSU shall have the option either (i) to compel LCMC's immediate withdrawal from UMCMC, or (ii) to invoke the provisions of Section 16.8 (UMCMC Transition upon Withdrawal) and Section 16.9 (UMCMC Transition Period Governance). In either event, this Potential Involuntary Withdrawal Event shall not be subject to Section 16.6, nor shall it be subject to Section 16.7 other than for the limited purpose of incorporating the defined term "Withdrawal Notice" set forth therein.

(b) A Change in Control of UMCMC or LCMC without LSU's consent;

(c) Either of the UMCMC Articles of Incorporation or Bylaws is amended except in accordance with its terms;

(d) LCMC or UMCMC fails to perform or observe any covenant, term or condition of this Agreement to be performed by it which is solely within LCMC's or UMCMC's ability to satisfy and which has a Material Adverse Effect on another Party's ability to perform its obligations under this CEA.

(e) LCMC or UMCMC shall have made any representation or warranty in this Agreement or in any document or certificate which is executed by LCMC or UMCMC incident to this Agreement, which is at any time found to have been inaccurate in any material respect at the time such representation or warranty was made and the consequences of such inaccuracy has a Material Adverse Effect on another Party's ability to perform its obligations under this CEA, provided that inaccuracies that are not the result of intentional misrepresentation, and which inaccuracies are corrected at or prior to the Commencement Date, shall be excused.

Section 16.5 Effect of Involuntary Withdrawal. Subject to the provisions of Section 17.2(b) regarding stipulated damages upon LCMC's involuntary withdrawal as a member of UMCMC due to a Breach of the Master Hospital Lease or Right of Use Agreement by a Public Party, or a casualty or expropriation event, LCMC shall not be entitled to any payment upon its involuntary withdrawal as a member of UMCMC, including, without limitation, refund or payment of (i) unearned Prepaid Rent; (ii) Unamortized Improvements; or (iii) the difference between UMCMC's current assets and current liabilities, as computed on a GAAP basis ("Working Capital").

Section 16.6 Process for Addressing Potential Withdrawal Events. Except as otherwise provided herein, the process the Parties shall follow for addressing Potential Elective Withdrawal Events and Potential Involuntary Withdrawal Events (collectively, a "Potential Withdrawal Event") upon the occurrence of a Potential Withdrawal Event (the "Pre-Withdrawal Process") with the objective of avoiding a Member Withdrawal shall be as follows:

(a) Notice and Cure Period. A Party asserting a Potential Withdrawal Event shall provide the other Party or Parties written notice of such event, which notice shall include a detailed description of the basis for such event and the Party's requirements to remedy such asserted event. The Party asserted to have caused the Potential Withdrawal Event shall be entitled to a Cure Period, or such other time period agreed to by the Parties, to remedy the asserted Potential Withdrawal Event.

(b) Consultative Process. If such Potential Withdrawal Event is not cured within the Cure Period, the Parties shall engage in the Consultative Process for a period of not less than thirty (30), but not more than sixty (60), days to attempt to resolve the Potential Withdrawal Event. Unless this Agreement provides that the Consultative Process is to proceed

automatically, the Consultative Process shall commence upon receipt of written notice from the Party requesting the Consultative Process by the other Parties.

(c) Executive Level Negotiations. If an alleged Potential Withdrawal Event is not resolved in the Consultative Process, the president or equivalent executive of each such Party, or his or her designee, shall discuss and negotiate in good faith for thirty (30) calendar days, or such longer period as the Parties may agree, to attempt to resolve the issue.

Section 16.7 Withdrawal Rights. If the asserted Potential Withdrawal Event is not resolved pursuant to the procedures in Section 16.6, if applicable, then LCMC, in the case of a Potential Elective Withdrawal Event, may declare its intent to withdraw from UMCMC, or the affected Party, in the case of a Potential Involuntary Withdrawal Event, may declare its intent to cause LCMC's withdrawal from UMCMC, as the case may be, by delivery of written notice of such intent to the other Parties (the "Withdrawal Notice"). Such a withdrawal shall be in addition to any other remedies which the applicable Party may have at law, including damages, but shall be subject to the Transition Period provided in Section 16.8, unless otherwise provided herein.

Section 16.8 UMCMC Transition upon Withdrawal.

(a) Transition Generally. During the period commencing on the effective date of the Member Withdrawal Notice and ending on the date of LCMC's withdrawal as a member of UMCMC (the "Member Withdrawal Date") (such period, the "Transition Period"), LCMC, UMCMC, and LSU shall coordinate LCMC's withdrawal to minimize the likelihood of any adverse impact on the Hospital's operations, including, without limitation, inpatient and outpatient hospital care, outpatient clinics, and GME. The Transition Period shall be for a period of six (6) months beginning two (2) days after the date of the Withdrawal Notice, unless

otherwise extended by the Board of Directors of UMCMC or the Transition Board of Directors (as defined below), as the case may be, and approved by LCMC, provided that any payments due LCMC upon its withdrawal shall not be due until one (1) year after the Member Withdrawal Date as provided in Section 17.5. The Member Withdrawal Date shall be the last day of the Transition Period.

(b) New Member. During the Transition Period, UMCMC may seek a new Person to become the member(s), and to replace LCMC as the member, of UMCMC (the “New Member”) that, upon such terms and conditions as UMCMC, LCMC and the New Member agree in writing, will support UMCMC’s management and operation of the Hospital in accordance with the CEA. For purposes of this Agreement, LSU and UMCMC agree, absent a mutual agreement otherwise among them and Tulane, that, in the event a New Member(s) is substituted for LCMC as the sole member(s) of UMCMC:

(i) The New Member(s) shall be required to honor and shall be bound by the Graduate Medical Education provisions (the “GME Provisions”) set forth in the MOU, including, without limitation, (1) the GME Provisions related to the allocation and use of residency slots, (2) the GME Provisions requiring non-discrimination in the administration of Graduate Medical Education programs (“GME Programs”) with respect to any Sponsoring Institutions, or any Sponsoring Institution’s students, faculty and residents, and (3) the GME Provisions related to entering into and administering certain GME contracts.

(ii) The New Member(s) shall be required to (1) maintain Tulane’s and LSU’s respective rights with respect to representation on UMCMC’s Board of Directors as set forth in the MOU; (2) ensure that no alterations, modifications or

changes are made to any GME Programs, or the administration of such programs, without the approval of the affected Sponsoring Institution; (3) have provisions contained in UMCMC's bylaws consistent with the MOU pertaining to the GME Programs and the allocation of residency slots and ensure there are no modifications, alterations, changes or amendments to such provisions without the consent of the affected Sponsoring Institution; and (4) ensure that a majority of the members of UMCMC's Board of Directors shall continue to be independent of Tulane and LSU.

(iii) The New Member(s) shall be required to agree to and be bound by the terms of the CEA.

Section 16.9 UMCMC Transition Period Governance

(a) Special Meeting of Board of Directors. Within thirty (30) days following the Member Withdrawal Notice, the UMCMC Board of Directors shall convene a special meeting to determine the composition of the UMCMC Board of Directors during the Transition Period. Upon an affirmative supermajority vote of the UMCMC Board of Directors, defined as eleven (11) of fourteen (14) voting Directors (including the affirmative vote of at least two (2) of the academic appointee Directors), the existing composition of the Board of Directors shall continue during the Transition Period.

(b) Transition Board of Directors. If an affirmative supermajority vote to maintain the composition of the UMCMC Board of Directors does not occur, then LCMC and the UMCMC Board of Directors shall immediately cause the UMCMC Articles and Bylaws then in effect to be amended to (i) provide for a reconstituted UMCMC Board of Directors to

serve UMCMC during the Transition Period (the “Transition Board of Directors”), and (ii) remove the reserved powers of LCMC. The Transition Board of Directors shall consist of:

(i) One (1) Director who shall be a representative of LSU appointed by the President of LSU after obtaining the advice and consent of the LSU Board of Supervisors;

(ii) One (1) Director who shall be appointed by the President of Tulane;

(iii) One (1) Director who shall be appointed by the President of Xavier University (“Xavier”); and

(iv) Three (3) Directors who shall be appointed by LCMC.

(c) Appointment of Special Director. If any vote of the Transition Board of Directors results in deadlock and such deadlock extends for two (2) consecutive meetings of the Transition Board of Directors, then the Transition Board of Directors shall petition the Chief Bankruptcy Judge of the United States District Court, Eastern District of Louisiana to appoint a neutral special director (the “Special Director”), with the qualifications set forth in Section 16.90. In the event that such bankruptcy judge does not have jurisdiction to appoint the Special Director, then the Special Director shall be appointed by the American Arbitration Association. The Special Director shall only participate in the activities of the Transition Board of Directors to cast the deciding vote in the event of a deadlock that has lasted for two (2) consecutive meetings. In making a deciding vote, the Special Director shall consider the following factors:

(i) The impact of the exercise on UMCMC;

- (ii) The impact of the exercise on the educational programs operated by UMCMC;
- (iii) The impact of the exercise on the System; and
- (iv) The impact of the exercise on the delivery of Safety Net Services in the New Orleans area and the State.

(d) Qualifications, Compensation and Indemnification of Special Director.

The Special Director shall have (i) at least fifteen (15) years' experience in hospital administration as a senior executive, and (ii) experience with distressed hospitals. UMCMC shall enter into such compensation and indemnification arrangements with the Special Director as the Transition Board of Directors deems necessary to attract a qualified Special Director.

**ARTICLE XVII.
SPECIAL REMEDIES**

Section 17.1 Remedies Cumulative. The Parties expressly agree that this CEA may only be terminated as provided in Article XV, and LCMC may only withdraw as a member of UMCMC, or be caused to withdraw as a member of UMCMC, as provided in Article XVI and for no other reason. Subject to the foregoing, and subject to any provision in this CEA to the contrary, all rights and remedies of any Party provided for in this CEA shall be construed and held to be cumulative, and no single right or remedy shall be exclusive of any other which is consistent with the former. No waiver by any Party of a Breach of any of the covenants, conditions or restrictions of this Agreement shall be construed or held to be a waiver of any succeeding or preceding Breach of the same or of any other covenant, condition or restriction herein contained. The failure of any Party to insist in any one or more cases upon the strict performance of any of the covenants of this Agreement, or to exercise any option herein contained, shall not be construed as a waiver or relinquishment of future Breaches of such

covenant or option. A receipt by any Party of payment by any other Party with knowledge of the Breach of any covenant hereof shall not be deemed a waiver of such Breach. No waiver, change, modification or discharge by any Party of any provision of this Agreement shall be deemed to have been made or shall be effective unless expressed in writing and signed by the Parties.

Section 17.2 Stipulated Damages. The Parties acknowledge and agree that the System is making a substantial financial and managerial commitment and will continue to make such commitments of resources over time, to support the Public Purpose as set forth in this CEA. The Parties further acknowledge and agree that the damages the System will sustain if LCMC elects or is required to withdraw under certain circumstances will be substantial and difficult to quantify. Accordingly, the Parties acknowledge and agree that stipulated damages are an appropriate remedy for LCMC in the event of its withdrawal as a member of UMCMC under certain circumstances as follows:

(a) Elective Withdrawal If LCMC elects to withdraw as a member of UMCMC for any reason set forth in Section 16.2, then upon LCMC's withdrawal as a member of UMCMC the State shall be obligated to pay LCMC stipulated damages in the amount of (1) unearned Prepaid Rent; (2) Unamortized Improvements; and (3) Working Capital.

(b) Involuntary Withdrawal.

(i) If LCMC is required to withdraw as a member of UMCMC upon termination of the Master Hospital Lease or the Right of Use Agreement due to the fault or Breach by a Public Party, then the State shall be obligated to pay UMCMC, and UMCMC shall be obligated to pay LCMC, the value, as of the Withdrawal Date, of UMCMC's: (1) unearned Prepaid Rent; (2) Unamortized Improvements; and (3) Working Capital. LSU and the State hereby agree that

LSU and the State, at their sole cost, shall vigorously defend any and all claims and lawsuits challenging the right of UMCMC to lease and occupy, or otherwise asserting any claim seeking to disturb UMCMC's actual physical possession of, all or part of the Leased Premises (as defined in the Master Hospital Lease) or use of all or part of the Land and Surface Improvements (as defined in the Right of Use Agreement) that would result in a termination of the Master Hospital Lease or the Right of Use Agreement and LCMC's Involuntary Withdrawal due to the fault or breach of the Master Hospital Lease or the Right of Use Agreement by a Public Party. LCMC shall not be entitled to stipulated damages upon early termination of the Master Hospital Lease or the Right of Use Agreement due to a UMCMC Event of Default as defined in the Master Hospital Lease.

(ii) If LCMC is required to withdraw as a member of UMCMC upon termination of the Master Hospital Lease due to a casualty or expropriation event as provided in the Master Hospital Lease, then UMCMC shall be obligated to pay LCMC the amount of compensation to which UMCMC is entitled under the terms of the Master Hospital Lease and Working Capital as of the Withdrawal Date.

(c) Stipulated Damages Applicable to Voluntary and Involuntary Withdrawals. Stipulated damages, whether pursuant to Section 17.2(a) or Section 17.2(b), shall be secured by a pledge of any revenue stream(s) due to UMCMC under UMCMC's leasehold interest in the Ambulatory Care Building and Parking Garage; provided, however, that such pledge shall not include any rights regarding the use, possession or occupancy of the Ambulatory Care Building and Parking Garage; provided further that UMCMC shall ensure that any persons or entities subleasing or otherwise occupying any part of the Ambulatory Care

Building and Parking Garage after the Member Withdrawal Date shall pay fair market value to UMCMC therefor. UMCMC, LSU, and the State shall execute such documents as are reasonable and necessary to effectuate the pledge set forth herein. In addition, in the event that LCMC is entitled to stipulated damages pursuant to Section 17.2(a) or Section 17.2(b), then the outstanding balance on any loans made to UMCMC by LCMC or an LCMC affiliate prior to the Member Withdrawal Date for the specific purpose of providing Working Capital to UMCMC shall be converted to a new loan to be repaid by UMCMC over a five-year term at the federal funds rate plus two percent (2%), commencing on the Member Withdrawal Date; provided, however, that UMCMC's obligation to repay such loans shall be deemed satisfied upon the State's payment of stipulated damages pursuant to Section 17.2(a) or Section 17.2(b), as applicable.

Section 17.3 Federal Program Recoupment Action. In the event of a federal program recoupment action which results in a set-off of reimbursement due UMCMC as a result of an overpayment while LSU was responsible for the Hospital's Medicare and Medicaid Provider Numbers, the State will seek an immediate appropriation to reimburse UMCMC, and UMCMC will assign to LSU any rights to negotiate, contest, settle or otherwise resolve such recoupment action. Notwithstanding the foregoing, UMCMC shall have an immediate right of set-off against Rent due under the Master Hospital Lease to compensate UMCMC in an amount consistent with the amount withheld under the recoupment action.

Section 17.4 Defense and Indemnification for Expropriation-Related Claims. The State shall defend, indemnify and hold harmless UMCMC against all claims, suits and actions relating to the expropriation of all or any part of the immovable

property upon which the New Facility is located or that is the subject of the Right of Use Agreement.

Section 17.5 Appropriation Contingency. Obligations of any Public Party arising under this CEA other than the Required Program Funding are contingent obligations and shall be subject to appropriation by the Louisiana Legislature of sufficient funds specifically and expressly appropriated therefor and shall not be due and payable until such funds are available following Legislative appropriation. Whenever payment obligations under this Agreement are subject to appropriation by the Louisiana Legislature of sufficient funds and the availability of funds following such legislative appropriation, DOA and LSU covenant to include in their annual budget request for appropriation of the funds necessary to satisfy the applicable payment obligation; and use their best efforts to cause such obligations to be funded. Notwithstanding the foregoing, no amounts payable to LCMC upon its withdrawal from UMCMC shall be due sooner than one (1) year from the Member Withdrawal Date. The foregoing provisions shall not limit the application of Section 17.1 or Section 16.2(c) of this CEA.

**ARTICLE XVIII.
INSURANCE AND INDEMNIFICATION**

Section 18.1 Insurance. UMCMC will provide commercially reasonable insurance as provided in the Master Hospital Lease, Equipment Lease, and the Professional Services Agreement.

Section 18.2 Indemnification.

(a) Survival. Except as expressly provided to the contrary, all representations, warranties, covenants and obligations in this Agreement and any other certificate or document

delivered pursuant to this Agreement shall survive the consummation of the Contemplated Transactions and the termination of this Agreement.

(b) Indemnification. Each Party will indemnify the other Party in accordance with Paragraphs (c) through (e) of this Section 18.2.

(c) Time Limitations.

(i) To the extent permitted by applicable law, and except as otherwise provided in this Agreement, LSU will have liability (for indemnification or otherwise) for all costs, expenses, losses, damages, fines, penalties, forfeitures or liabilities (including, without limitation, interest which may be imposed by a court in connection therewith), court costs, litigation expenses, reasonable attorneys' and paralegals' fees and accounting fees (collectively, the "Damages") incurred by UMCMC or LCMC as a result of (A) a Breach of any representation or warranty by LSU, disregarding any Knowledge qualification contained therein, or (B) the actions or failure to act by LSU Personnel; provided however, that LSU's obligation under this Section shall only apply if, on or before the third (3rd) anniversary of the Commencement Date, UMCMC or LCMC notifies LSU of a claim specifying the factual basis of the claim in reasonable detail to the extent then known by UMCMC or LCMC. Notwithstanding the foregoing, with respect to a Breach resulting from fraud or a Breach of Section 10.1, Section 10.2, Section 10.7 or Section 10.10, a claim may be made at any time subject to the applicable statute of limitations or prescriptive period. With respect to a Breach resulting from a violation of Health Care Laws, a claim may be made within ten (10) years of the Commencement Date.

(ii) To the extent permitted by applicable law, and except as otherwise provided in this Agreement, the State, through DOA, will have liability (for indemnification or otherwise) for all Damages incurred by UMCMC or LCMC as

a result of (A) a Breach of any representation or warranty by the State or DOA, disregarding any Knowledge qualification contained therein, which claim shall be made on or before the third (3rd) anniversary of the Commencement Date, except with respect to a Breach resulting from fraud or a Breach of Section 11.1 or Section 11.1(a), in which case a claim may be made at any time subject to the applicable statute of limitations or prescriptive period, (B) any liability pertaining to FEMA funds related to the New Facility, in which case a claim must be made on or before the sixth (6th) anniversary of the Commencement Date, or (C) the expropriation of immovable property for the New Facility, in which case a claim may be made within the applicable statute of limitations or prescriptive period; provided however, that UMCMC or LCMC notifies DOA of a claim specifying the factual basis of the claim in reasonable detail to the extent then known by UMCMC or LCMC.

(iii) Except as otherwise provided in this Agreement, UMCMC will have liability (for indemnification or otherwise) for all Damages incurred by LSU or the State as a result of (A) a Breach of any representation or warranty by UMCMC, or (B) the actions or failure to act by the employees or agents of UMCMC; provided however, that UMCMC's obligation under this Section shall only apply if, other than with respect to a Breach resulting from fraud, in which case a claim may be made at any time, on or before the third (3rd) anniversary of the termination of this Agreement, LSU, DOA or the State notifies UMCMC of a claim specifying the factual basis of the claim in reasonable detail to the extent then known by LSU, DOA or the State. Notwithstanding the foregoing, with

respect to a Breach of Section 12.1 or Section 12.2, a claim may be made at any time subject to the applicable statute of limitations or prescriptive period.

(iv) Except as otherwise provided in this Agreement, LCMC will have liability (for indemnification or otherwise) for all Damages incurred by LSU or the State as a result of (A) a Breach of any representation or warranty by LCMC, or (B) the actions or failure to act by the employees or agents of LCMC; provided however, that LCMC's obligation under this Section shall only apply if, other than with respect to a Breach resulting from fraud, in which case a claim may be made at any time, on or before the third (3rd) anniversary of the termination of this Agreement, LSU, DOA or the State notifies UMCMC of a claim specifying the factual basis of the claim in reasonable detail to the extent then known by LSU, DOA or the State. Notwithstanding the foregoing, with respect to a Breach of Section 13.1, Section 13.2, or Section 13.3, a claim may be made at any time subject to the applicable statute of limitations or prescriptive period.

(d) Third-Party Claims.

(i) Promptly after receipt by a Person entitled to indemnity under this Agreement (an "Indemnified Person") of notice of the assertion of a Third-Party Claim against it, such Indemnified Person shall give notice to the Person obligated to indemnify under such Section (an "Indemnifying Person") of the assertion of such Third-Party Claim, provided that the failure to notify the Indemnifying Person will not relieve the Indemnifying Person of any liability that it may have to any Indemnified Person, except to the extent that the Indemnifying

Person demonstrates that the defense of such Third-Party Claim is prejudiced by the Indemnified Person's failure to give such notice.

(ii) If an Indemnified Person gives notice to the Indemnifying Person pursuant hereto of the assertion of a Third-Party Claim, the Indemnifying Person shall be entitled to participate in the defense of such Third-Party Claim and, to the extent that it wishes (unless (i) the Indemnifying Person is also a Person against whom the Third-Party Claim is made and the Indemnified Person determines in good faith that joint representation would be inappropriate or (ii) the Indemnifying Person fails to provide reasonable assurance to the Indemnified Person of its financial capacity to defend such Third-Party Claim and provide indemnification with respect to such Third-Party Claim), to assume the defense of such Third-Party Claim with counsel satisfactory to the Indemnified Person. After notice from the Indemnifying Person to the Indemnified Person of its election to assume the defense of such Third-Party Claim, the Indemnifying Person shall not, so long as it diligently conducts such defense, be liable to the Indemnified Person under this Article for any fees of other counsel or any other expenses with respect to the defense of such Third-Party Claim, in each case subsequently incurred by the Indemnified Person in connection with the defense of such Third-Party Claim, other than reasonable costs of investigation. If the Indemnifying Person assumes the defense of a Third-Party Claim, no compromise or settlement of such Third-Party Claim may be effected by the Indemnifying Person without the Indemnified Person's written consent unless (A) there is no finding or admission of any violation of a Legal Requirement or any violation of

the rights of any Person; (B) the sole relief provided is monetary damages that are paid in full by the Indemnifying Person; and (C) the Indemnified Person shall have no liability with respect to any compromise or settlement of such Third-Party Claims effected without its consent.

(iii) Notwithstanding the foregoing, if an Indemnified Person determines in good faith that there is a reasonable probability that a Third-Party Claim may adversely affect it other than as a result of monetary damages for which it would be entitled to indemnification under this Agreement, the Indemnified Person may, by notice to the Indemnifying Person, assume the exclusive right to defend, compromise or settle such Third-Party Claim, but the Indemnifying Person will not be bound by any determination of any Third-Party Claim so defended for the purposes of this Agreement or any compromise or settlement effected without its written consent (which may not be unreasonably withheld).

(iv) With respect to any Third-Party Claim subject to indemnification under this Article: (i) both the Indemnified Person and the Indemnifying Person, as the case may be, shall keep the other Person fully informed of the status of such Third-Party Claim and any related Proceedings at all stages thereof where such Person is not represented by its own counsel, and (ii) the Parties agree (each at its own expense) to render to each other such assistance as they may reasonably require of each other and to cooperate in good faith with each other in order to ensure the proper and adequate defense of any Third-Party Claim.

(v) With respect to any Third-Party Claim subject to indemnification under this Article, the Parties agree to cooperate in such a manner as to preserve in full (to the extent possible) the confidentiality of all Confidential Information and the attorney-client and work-product privileges. In connection therewith, each Party agrees that, to the extent allowed by law: (i) it will use its commercially reasonable efforts, in respect of any Third-Party Claim in which it has assumed or participated in the defense, to avoid production of Confidential Information (consistent with applicable law and rules of procedure), and (ii) all communications between any Party hereto and counsel responsible for or participating in the defense of any Third-Party Claim shall, to the extent possible, be made so as to preserve any applicable attorney-client or work-product privilege.

(e) Other Claims. A claim for indemnification for any matter not involving a Third-Party Claim may be asserted by notice to the Party from whom indemnification is sought and shall be paid promptly after such notice.

**ARTICLE XIX.
GENERAL PROVISIONS**

Section 19.1 Interpretation. In this Agreement, unless a clear contrary intention appears:

- (a) the singular number includes the plural number and vice versa;
- (b) reference to any Person includes such Person's successors and assigns but, if applicable, only if such successors and assigns are not prohibited by this Agreement, and reference to a Person in a particular capacity excludes such Person in any other capacity or individually;

(c) reference to any gender includes the other gender;

(d) reference to any agreement, document or instrument means such agreement, document or instrument as amended or modified and in effect from time to time in accordance with the terms thereof;

(e) reference to any Legal Requirement means such Legal Requirement as amended, modified, codified, replaced or reenacted, in whole or in part, and in effect from time to time, including rules and regulations promulgated thereunder, and reference to any section or other provision of any Legal Requirement means that provision of such Legal Requirement from time to time in effect and constituting the substantive amendment, modification, codification, replacement or reenactment of such section or other provision;

(f) “hereunder,” “hereof,” “hereto,” and words of similar import shall be deemed references to this Agreement as a whole and not to any particular Article, Section or other provision hereof;

(g) “including” (and with correlative meaning “include”) means including without limiting the generality of any description preceding such term;

(h) “or” is used in the inclusive sense of “and/or”;

(i) with respect to the determination of any period of time, “from” means “from and including” and “to” means “to but excluding”;

(j) references to “day,” rather than the defined term “Business Day,” shall mean a calendar day; and

(k) references to documents, instruments or agreements shall be deemed to refer as well to all addenda, exhibits, schedules or amendments thereto.

Section 19.2 Legal Representation of the Parties. This Agreement was negotiated by the signatories hereto with the benefit of legal representation, and any rule of construction or interpretation otherwise requiring this Agreement to be construed or interpreted against any signatory hereto shall not apply to any construction or interpretation hereof.

Section 19.3 Expenses. Except as otherwise provided in this Agreement, each Party to this Agreement will bear its respective fees and expenses incurred in connection with the preparation, negotiation, execution and performance of this Agreement and the Contemplated Transactions, including all fees and expense of its representatives. If this Agreement is terminated, the obligation of each Party to pay its own fees and expenses will be subject to any rights of such Party arising from a Breach of this Agreement by another Party.

Section 19.4 Dispute Resolution. The Parties will attempt to resolve any material Breaches, disputes or issues of concern to or affecting the transactions or relationships contemplated by this CEA that are not Terminating Events (except as provided in Section 15.2(b)) or Potential Withdrawal Events as follows:

(a) Cure Period. If the basis of the dispute is alleged to constitute a Breach of the CEA, the Master Collaborative Agreement or any other agreement associated with the Contemplated Transactions, the Party alleging the Breach shall provide the alleged breaching Party with written notice of such alleged Breach, with sufficient detail to provide the alleged breaching Party with the factual basis or circumstances giving rise to the alleged Breach. The breaching Party shall be entitled to a Cure Period to cure the alleged Breach.

(b) Consultative Process. If the alleged Breach is not cured within the Cure Period, or if the dispute does not involve an alleged Breach or is not otherwise subject to cure, the Parties shall engage in the Consultative Process for a period of ten (10) days, or such longer

period as may be appropriate but not to exceed sixty (60) days, to attempt to resolve the dispute.

(c) Right to Legal Remedies for non-Terminating Events and non-Potential Withdrawal Events; No Termination or Withdrawal Rights. If such dispute involves a non-Terminating Event or non-Potential Withdrawal Event and is not resolved pursuant to the Consultative Process and such other dispute resolution processes to which the Parties may agree, the Parties shall be entitled to such remedies as are available at law, including Damages, but not including any equitable or injunctive relief which could or would limit LSU's access to the Interim Facility or the New Facility, as applicable. No Party shall have the right to terminate this Agreement, nor may LCMC elect or be compelled to withdraw as a member of UMCMC, for a non-Terminating Event or a non-Potential Withdrawal Event, except by authority of a final order of a court of competent jurisdiction after all rights of appeal have been exhausted.

Section 19.5 Public Announcements. Any public announcement, press release or similar publicity with respect to entering this Agreement or the Contemplated Transactions will be issued in the best interests of the Parties.

Section 19.6 Confidential Information.

(a) Restricted Use of Confidential Information. Subject to Section 19.6(h) below, except as otherwise required by any Legal Requirement, each Receiving Party acknowledges the confidential and proprietary nature of the Confidential Information of the Disclosing Party and agrees that such Confidential Information to the extent allowed by law (i) shall be kept confidential by the Receiving Party; (ii) shall not be used for any reason or purpose other than to evaluate and consummate the Contemplated Transactions; and

(iii) without limiting the foregoing, shall not be disclosed by the Receiving Party to any Person, except in each case as otherwise expressly permitted by the terms of this Agreement or with the prior written consent of an authorized representative of LSU with respect to Confidential Information of LSU or the LCMC CEO with respect to Confidential Information of LCMC, or the UMCMC CEO with respect to the Confidential Information of UMCMC. Each of LCMC, UMCMC and LSU shall disclose the Confidential Information of the other Party only to its representatives who require such material for the purpose of evaluating the Contemplated Transactions and are informed by LSU or LCMC or UMCMC, as the case may be, of the obligations of this Article with respect to such information. Each of LSU, LCMC and UMCMC shall (i) enforce the terms of this Article as to its respective representatives; (ii) take such action to the extent necessary to cause its representatives to comply with the terms and conditions of this Article; and (iii) be responsible and liable for any Breach of the provisions of this Article by it or its representatives.

(b) Exceptions. This Section 19.6 does not apply to that part of the Confidential Information of a Disclosing Party that a Receiving Party demonstrates (i) was, is or becomes generally available to the public other than as a result of a Breach of this Article by the Receiving Party or its representatives; (ii) was or is developed by the Receiving Party independently of and without reference to any Confidential Information of the Disclosing Party; or (iii) was, is or becomes available to the Receiving Party on a non-confidential basis from a third party not bound by a confidentiality agreement or any legal, fiduciary or other obligation restricting disclosure.

(c) Legal Proceedings. Subject to Section 19.6(h) below, if a Receiving Party becomes compelled in any Proceeding or is requested by a Governmental Body having

regulatory jurisdiction over the Contemplated Transactions to make any disclosure that is prohibited or otherwise constrained by this Article, that Receiving Party shall provide the Disclosing Party with prompt notice of such compulsion or request so that it may seek an appropriate protective order or other appropriate remedy or waive compliance with the provisions of this Article. In the absence of a protective order or other remedy, the Receiving Party may disclose that portion (and only that portion) of the Confidential Information of the Disclosing Party that, based upon advice of the Receiving Party's counsel, the Receiving Party is legally compelled to disclose or that has been requested by such Governmental Body, provided, however, that the Receiving Party shall use reasonable efforts to obtain reliable assurance that confidential treatment will be accorded by any Person to whom any Confidential Information is so disclosed. The provisions of this Section do not apply to any Proceedings among the Parties to this Agreement.

(d) Return or Destruction of Confidential Information. Except as required by any Legal Requirement, if this Agreement is terminated, each Receiving Party shall, to the extent allowed by law, (i) destroy all Confidential Information of the Disclosing Party prepared or generated by the Receiving Party without retaining a copy of any such material; (ii) promptly deliver to the Disclosing Party all other Confidential Information of the Disclosing Party, together with all copies thereof, in the possession, custody or control of the Receiving Party or, alternatively, with the written consent of the Disclosing Party, destroy all such Confidential Information; and (iii) certify all such destruction in writing to the Disclosing Party, provided, however, that the Receiving Party may retain a list that contains general descriptions of the information it has returned or destroyed to facilitate the resolution of any controversies after the Disclosing Party's Confidential Information is returned.

(e) Attorney-Client Privilege. The Disclosing Party is not waiving, and will not be deemed to have waived or diminished, any of its attorney work product protections, attorney-client privileges or similar protections and privileges as a result of disclosing its Confidential Information (including Confidential Information related to pending or threatened litigation) to the Receiving Party, regardless of whether the Disclosing Party has asserted, or is or may be entitled to assert, such privileges and protections. The Parties (i) share a common legal and commercial interest in all of the Disclosing Party's Confidential Information that is subject to such privileges and protections; (ii) are or may become joint defendants in Proceedings to which the Disclosing Party's Confidential Information covered by such protections and privileges relates; (iii) intend that such privileges and protections remain intact should either party become subject to any actual or threatened Proceeding to which the Disclosing Party's Confidential Information covered by such protections and privileges relates; and (iv) intend that after the consummation of the Contemplated Transactions the Receiving Party shall have the right to assert such protections and privileges. No Receiving Party shall admit, claim or contend, in Proceedings involving either Party or otherwise, that any Disclosing Party waived any of its attorney work-product protections, attorney-client privileges or similar protections and privileges with respect to any information, documents or other material not disclosed to a Receiving Party due to the Disclosing Party disclosing its Confidential Information (including Confidential Information related to pending or threatened litigation) to the Receiving Party.

(f) Trade Secret Protection. Any trade secrets of a Disclosing Party shall also be entitled to all of the protections and benefits under applicable trade secret law and any other applicable law. If any information that a Disclosing Party deems to be a trade secret is found

by a court of competent jurisdiction not to be a trade secret for purposes of this Article, such information shall still be considered Confidential Information of that Disclosing Party for purposes of this Article to the extent included within the definition. In the case of trade secrets, each Party hereby waives any requirement that the other Party submit proof of the economic value of any trade secret or post a bond or other security.

(g) HIPAA Override. Notwithstanding anything to the contrary in this Agreement, any Confidential Information which constitutes “protected health information” as defined in HIPAA shall be maintained by the Parties in accordance with the provisions of HIPAA and the Health Information and Technology Act and the rules and regulations promulgated thereunder, and such provisions, rules and regulations shall take precedence over any other provisions of this Agreement governing Confidential Information to the extent there is a conflict between the terms of this Agreement and such provisions, rules and regulations of HIPAA and each Party will act in accordance therewith.

(h) Public Records Request. The financial and other records created by, for or otherwise belonging to LCMC or UMCMC shall remain in the possession, custody and control of LCMC and UMCMC, respectively, regardless of whether, or the method by which, LSU reviews and/or audits such records in connection with the rights and obligations of this Agreement. LSU, LCMC and UMCMC consider records of LCMC to be proprietary to LCMC, and records of UMCMC to be proprietary of UMCMC, and, to the extent that LCMC or UMCMC makes any such records or documents available to LSU, such records shall be clearly marked as confidential and/or proprietary to indicate its or their position that such records or documents are not public records. To the extent a public records request is received by LSU pursuant to La. R.S. 44:1, *et seq.* (the “Public Records Act”) which may include

documents marked as confidential and/or proprietary to LCMC or UMCMC, LSU will use its best efforts to give notice to LCMC or UMCMC, as applicable, that LSU has received such a public records request prior to producing any documents considered to be proprietary to LCMC or UMCMC, and if such notice cannot be provided to LCMC or UMCMC before LSU is required to produce such documents, LSU shall provide notice to LCMC or UMCMC, as applicable, as soon thereafter as possible. In the event that LCMC or UMCMC objects to the production and believes that the records are not subject to production pursuant to the Public Records Act, LCMC or UMCMC, as appropriate, will immediately so notify LSU in writing and take such action as LCMC or UMCMC deems necessary to protect the disclosure of such records. In the event of a final, binding, non-appealable judgment that LSU's refusal to produce such documents was in violation of the Public Records Act, LCMC and UMCMC will indemnify and hold harmless LSU and the State, their employees, attorneys and agents from and against any Damages resulting from or relating to LSU's failure to produce such documents in response to a public records request.

Section 19.7 Notice of Force Majeure. In the event of a failure or anticipated failure by any Party to perform its obligations hereunder caused by Force Majeure, such Party shall provide notice to the other Parties within thirty (30) days of the occurrence of such Force Majeure event causing such failure or anticipated failure. A Party's failure to perform due to a Force Majeure shall not constitute a Breach.

Section 19.8 Notices. Except as otherwise provided in this Agreement, any notice, payment, demand, request or communication required or permitted to be given by any provision of this Agreement shall be in writing and shall be duly given by the applicable

Party if personally delivered to the applicable Party, or if sent certified or registered mail, at its address set forth below:

If to LSU:

Board of Supervisors of Louisiana State University
and Agricultural and Mechanical College
3810 West Lakeshore Drive
Baton Rouge, LA 70808
Attention: F. King Alexander, President

With a copy to:

Taylor, Porter, Brooks & Phillips L.L.P.
8th Floor Chase Tower South
451 Florida Street
Baton Rouge, LA 70801
Attention: Patrick D. Seiter, Esq.

If to DOA

Division of Administration
Claiborne Building, 7th Floor
1201 N. Third Street
Baton Rouge, LA 70802
Attention: Commissioner

With a copy to:

State of Louisiana, Division of Administration
P. O. Box 94004
Baton Rouge, LA 70804-9004
Attention: Elizabeth Baker Murrill, Esq.

If to the State:

C/o Division of Administration
Claiborne Building, 7th Floor
1201 N. Third Street
Baton Rouge, LA 70802
Attention: Commissioner

With a copy to:

State of Louisiana, Division of Administration
P. O. Box 94004
Baton Rouge, LA 70804-9004
Attention: Elizabeth Baker Murrill, Esq.

If to UMCMC:

University Medical Center Management Corporation
(A Major Affiliate of LSU Pursuant to La. R.S. 17:3390)
P. O. Box 3374
Baton Rouge, LA 70821
Attention: Robert V. "Bobby" Yarborough, Chair

With a copy to:

Louisiana Children's Medical Center
200 Henry Clay Avenue
New Orleans, LA 70118
Attention: Richard Guevara,
Vice President of Legal Affairs
and

Kantrow, Spaht, Weaver & Blitzer
(APLC)
City Plaza, Suite 300
445 North Boulevard
Baton Rouge, LA 70802
Attention: Lee C. Kantrow, Esq.

If to LCMC:

Louisiana Children's Medical Center
200 Henry Clay Avenue
New Orleans, LA 70118
Attention: Steve Worley, President and CEO
Richard Guevara, Vice President of Legal Affairs

With a copy to:

Foley & Lardner LLP
111 Huntington Avenue, Suite 2500
Boston, MA 02199
Attention: J. Mark Waxman, Esq.

or to such other address as such Party may from time to time specify by written notice to the other Parties.

Any such notice shall, for all purposes, be deemed to be given and received:

- (i) if by hand, when delivered;
- (ii) if given by nationally recognized and reputable overnight delivery service, the Business Day on which the notice is actually received by the Party; or
- (iii) if given by certified mail, return receipt requested, postage prepaid, three (3) Business Days after posted with the United States Postal Service.

Section 19.9 Jurisdiction; Service of Process. Any Proceeding arising out of or relating to this Agreement or any Contemplated Transaction may be brought in the Nineteenth Judicial District for the Parish of East Baton Rouge, Louisiana, or, if it has or can acquire jurisdiction, in the United States District Court for the Middle District of Louisiana; provided, however, that nothing herein is intended, nor shall it be deemed or interpreted, to waive any rights, privileges, or immunities available to any Party under the Eleventh Amendment, and each of the Parties irrevocably submits to the exclusive jurisdiction of each such court in any such Proceeding, waives any objection it may now or hereafter have to venue or to convenience of forum, agrees that all claims in respect of the Proceeding shall be heard and determined only in any such court and agrees not to bring any Proceeding arising out of or relating to this Agreement or any Contemplated Transaction in any other court. The Parties

agree that any of them may file a copy of this Section with any court as written evidence of the knowing, voluntary and bargained agreement between the Parties irrevocably to waive any objections to venue or to convenience of forum. Process in any Proceeding referred to in the first sentence of this section may be served on any party anywhere in the world.

Section 19.10 Enforcement of Agreement; Legal Fees and Costs. Subject to the limitation on equitable or injunctive relief set forth in Section 19.4(c), each Party acknowledges and agrees that the other Parties would be irreparably damaged if any of the provisions of this Agreement are not performed in accordance with their specific terms and that any Breach of this Agreement by a Party could not be adequately compensated in all cases by monetary damages alone. Accordingly, in addition to any other right or remedy to which a Party may be entitled, at law or in equity, it shall be entitled to enforce any provision of this Agreement by a decree of specific performance and to temporary, preliminary and permanent injunctive relief to prevent Breaches or threatened Breaches pursuant to Legal Requirements, without posting any bond or other undertaking. In the event that either Party elects to incur legal expenses to enforce or interpret any provision of this Agreement, the prevailing Party will be entitled to recover such legal expenses, including, without limitation, reasonable attorneys' fees, costs and necessary disbursements, in addition to any other relief to which such Party shall be entitled.

Section 19.11 Entire Agreement and Modification. This Agreement supersedes all prior agreements, whether written or oral, among the Parties with respect to its subject matter and constitutes (along with the other documents and Exhibits delivered pursuant to this Agreement) a complete and exclusive statement of the terms of the agreement between the Parties with respect to its subject matter. This Agreement may not be amended, supplemented,

or otherwise modified except by a written agreement executed by LSU, DOA, the State, LCMC and UMCMC.

Section 19.12 Assignments, Successors and No Third-Party Rights. No Party may assign any of its rights or delegate any of its obligations under this Agreement without the prior written consent of the other Parties. Subject to the preceding sentence, this Agreement will apply to, be binding in all respects upon and inure to the benefit of the successors and permitted assigns of the Parties. Nothing expressed or referred to in this Agreement will be construed to give any Person other than the Parties to this Agreement any legal or equitable right, remedy or claim under or with respect to this Agreement or any provision of this Agreement, except such rights as shall inure to a successor or permitted assignee pursuant to this Section.

Section 19.13 Severability and Reformation. If any term, provision, covenant or condition of this CEA is held unenforceable or invalid for any reason and not susceptible to reformation due to a change in applicable Legal Requirements, the remaining portions or provisions shall continue in full force and effect, unless the effect of such severance would be to substantially alter the CEA or obligations of the parties, in which case the CEA may be immediately terminated.

Section 19.14 Construction. The headings of Articles and Sections in this Agreement are provided for convenience only and will not affect its construction or interpretation. All references to “Articles and “Sections” refer to the corresponding Articles and Sections of this Agreement.

Section 19.15 Time of Essence. With regard to all dates and time periods set forth or referred to in this Agreement, time is of the essence.

Section 19.16 Governing Law. This Agreement will be governed by and construed under the laws of the State of Louisiana without regard to conflicts-of-laws principles that would require the application of any other law.

Section 19.17 Execution of Agreement. This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement. The exchange of copies of this Agreement and of signature pages by facsimile or electronic (in PDF format) transmission shall constitute effective execution and delivery of this Agreement as to the Parties and may be used in lieu of the original Agreement for all purposes. Signatures of the Parties transmitted by facsimile or electronically (in PDF format) shall be deemed to be their original signatures for all purposes.

Section 19.18 Compliance with Health Care Laws. This Agreement is intended to comply with all Health Care Laws and nothing herein is intended to require, nor shall the Agreement be construed or interpreted as requiring, directly or indirectly, explicitly or implicitly, any Party to take any action that would violate any Health Care Law.

Section 19.19 Access to Records. To the extent that the services provided under this Agreement are deemed by the Secretary of the U.S. Department of Health and Human Services, the U.S. Comptroller General, or the Secretary's or Comptroller's delegate, to be subject to the provisions of Section 952 of Public Law 96-499, the Parties, until the expiration of four (4) years subsequent to the furnishing of services under this Agreement, shall make available, upon written request to the Secretary, the Comptroller, or any of their duly authorized representatives, this Agreement, and the books, documents and records of the Parties that are necessary to certify the nature and extent of the charges to each Party. If any Party carries out

any of its duties under the Agreement through a subcontract, with a value of \$10,000 or more over a twelve (12)-month period, with a related organization (as that term is defined with regard to a provider in 42 C.F.R. § 413.17(1)), such subcontract shall contain a clause to the effect that until the expiration of four (4) years after the furnishing of such services pursuant to such subcontract, the related organization upon written request shall make available to the Secretary, the Comptroller, or any of their duly authorized representatives, the subcontract, and books, documents, and records of such organization that are necessary to verify the nature and extent of such costs. If any Party is requested to disclose any books, documents, or records relevant to this Agreement for the purpose of an audit or investigation relating directly to the provision of services under this Agreement, such Party shall notify the other Parties of the nature and scope of such request and shall make available to the other Parties, upon written request, all such books, documents, or records. This Section is included pursuant to and is governed by the requirements of federal law. No attorney-client, accountant-client, or other legal privilege will be deemed to have been waived by the Parties or any of the Parties' representatives by virtue of this Agreement.

Section 19.20 Name and Trademark. Except as provided in this Agreement and the Master Collaborative Agreement, no Party will use any other Party's name, symbol, or trademark in any marketing, advertising, or any other public communications without the prior written consent of such Party regarding the use of its name, symbol, or trademark.

Section 19.21 LCMC and UMCMC Not Intended to be Public Bodies. Except as provided in Section 19.22, nothing in this Agreement is intended, and it is not the intent of the Parties, to cause or result in LCMC or UMCMC being considered a public or quasi-public body, governmental authority or subdivision thereof, other public entity or otherwise

subject to public inspection laws of the State, public audit, public meeting, or other disclosure procedures generally applicable to public bodies in the State.

Section 19.22 Legislative Auditor. It is hereby agreed that the State and/or the Louisiana Legislative Auditor shall have the option of auditing all accounts of UMCMC which relate to this Agreement. Such audits shall be at the expense of the State or the Legislative Auditor and shall be done during customary business hours upon reasonable prior written notice.

Section 19.23 Non-Discrimination Clause. UMCMC agrees to abide by the requirements of the following as applicable: Title VI of the Civil Rights Act of 1964 and Title VII of the Civil Rights Act of 1964, as amended by the Equal Employment Opportunity Act of 1972, Federal Executive Order 11246 as amended, the Rehabilitation Act of 1973, as amended, the Vietnam Era Veteran's Readjustment Assistance Act of 1974, Title IX of the Education Amendments of 1972, the Age Discrimination Act of 1975, the Fair Housing Act of 1968 as amended, and UMCMC agrees to abide by the requirements of the Americans with Disabilities Act of 1990. UMCMC agrees not to discriminate in its employment practices, and will render services under this Agreement without regard to race, color, religion, sex, national origin, veteran status, political affiliation, or disabilities.

Section 19.24 Further Acts and Assurances. Each of the Parties shall, at any time and from time to time at and after the execution of this Agreement, upon the reasonable request of another Party, take any and all steps reasonably necessary to consummate the Contemplated Transactions, and will do, execute, acknowledge and deliver, or will cause to be done, executed, acknowledged and delivered, all such further acts, deeds, assignments, transfers, conveyances, powers of attorney and assurances as may be required to consummate the


Contemplated Transactions, including without limitation, the pledge of the leasehold interest referenced in Section 17.2(a).

[Signatures on following pages.]

Signature page to the Amended and Restated Cooperative Endeavor Agreement
By and Among Louisiana Children's Medical Center, University
Medical Center Management Corporation, the Board of Supervisors
of Louisiana State University and Agricultural and Mechanical College,
Louisiana Division of Administration, Louisiana Department of Health and Hospital,
and the State of Louisiana, through the Division of Administration

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

**BOARD OF SUPERVISORS OF LOUISIANA
STATE UNIVERSITY AND AGRICULTURAL
AND MECHANICAL COLLEGE, a public
constitutional corporation of the State of Louisiana**

By: 
F. King Alexander, President of the
Louisiana State University System

STATE OF LOUISIANA


By: 
Kristy Nichols, Commissioner

**STATE OF LOUISIANA, DIVISION OF
ADMINISTRATION**

By: 
Kristy Nichols, Commissioner

Signature page to the Amended and Restated Cooperative Endeavor Agreement
By and Among Louisiana Children's Medical Center, University
Medical Center Management Corporation, the Board of Supervisors
of Louisiana State University and Agricultural and Mechanical College,
Louisiana Division of Administration, Louisiana Department of Health and Hospital,
and the State of Louisiana, through the Division of Administration

**LOUISIANA CHILDREN'S MEDICAL
CENTER**

By: 
Gregory C. Feirn, President and Chief
Executive Officer

**UNIVERSITY MEDICAL CENTER
MANAGEMENT CORPORATION**

By: 
Cindy Nuesslein, Chief Executive Officer

APPENDIX 1 DEFINITIONS

“AAA” means the Academic Affiliation Agreement between UMCMC and LSU.

“AAC” means the UMCMC Academic Advisory Committee.

“Academic Health System CPA” means an independent, nationally-recognized certified public accountant possessing significant experience in the review and analysis of the financial reimbursement operations of hospital systems and academic medical centers.

“Academic Medical Center” or “AMC” means the collaborative academic medical center operated by UMCMC.

“ACGME” means the Accreditation Council for Graduate Medical Education.

“Affiliate” means a Person that directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, another Person. “Control” (including the term “controlled by” and “under common control with”) means the possession, directly or indirectly, of the power to direct or cause the direction of management policies of a Person, whether through membership in a non-profit corporation, appointment of the board of directors or board of supervisors, ownership of voting securities, by contract, as trustee or executor, or otherwise.

“Agreement” or “CEA” means this Cooperative Endeavor Agreement among LSU, UMCMC, LCMC, DOA, and the State.

“Ambulatory Care Building” means the ambulatory care building currently under construction, which is part of the New Facility.

“Ancillary Agreement” has the meaning set forth in Section 12.2.

“Audited Financial Statements” shall mean audited consolidated financial statements for the LCMC System and the balance sheet and the related statements of income, and changes in financial position of the LCMC System with available reports thereon from an independent certified public accounting firm.

“Benefit Plans” means any pension, retirement, savings, disability, medical, hospital, surgical, dental, optical or other health plan (including such benefits that are provided through insurance or a health maintenance organization), life insurance (including any individual life insurance policy as to which LSU makes premium payments whether or not LSU is the owner, beneficiary or both of such policy) or other death benefit plan (including accidental, death insurance), profit sharing, present or deferred compensation, employment consulting, termination of employment, change-in-control, retention stock option, bonus or other incentive plan, excess benefit plan vacation benefit plan, holiday, sick pay, severance plan, “golden parachute”, prepaid legal services, day care, employee assistance (referral) benefits, cafeteria plan, scholarship, or educational benefit, supplemental unemployment, expense reimbursement, medical service discount, any fringe benefits referenced in Section 132 of the Code or other employee benefit

plan or arrangement (whether written or arising from custom) to which LSU is a party or by which LSU or any of the Hospitals (or any of its rights, properties or assets) is bound, or with respect to which LSU has made payments, contributions or commitments or may otherwise have any liability (including any such plan or arrangement formerly maintained by LSU), but in either case, which provide benefits to one or more employees, former employees or non-employees service providers of LSU, including without limit Employees, or any of their respective dependents or beneficiaries.

"Breach" means any action, inaction, omission, or other act of a Party that results in that Party's failure to perform or comply with any covenant or obligation in or of this Agreement or any other document or agreement delivered pursuant to this Agreement, or any inaccuracy in any representation or warranty in this Agreement or any other document or agreement delivered pursuant to this Agreement, or any event which with the passing of time or the giving of notice, or both, would constitute such a breach, inaccuracy or failure.

"Business Days" means Monday through Friday of each week, excluding legal holidays.

"Change of Control" means (i) a sale, merger or consolidation of LCMC or UMCMC, through a transaction or a series of related transactions, in which the members of LCMC or UMCMC immediately prior to such transaction would, following such transaction or series of related transactions, own, in the aggregate, less than fifty percent (50%) of the total combined voting power of the surviving entity normally entitled to vote for the election of directors of the surviving entity, or (ii) the sale by LCMC or UMCMC of all or substantially all of LCMC's or UMCMC's assets in one transaction or in a series of related transactions.

"Children's" means Children's Hospital of New Orleans in New Orleans, Louisiana.

"CMS" means the Centers for Medicare/Medicaid Services (CMS), an agency of the U.S. Department of Health and Human Services.

"Code" or "IRC" means the Internal Revenue Code of 1986.

"Commencement Date" means June 24, 2013, the date on which UMCMC shall assume operation and management of the Hospital subject to the terms of this CEA.

"Confidential Information" includes, to the extent allowed by law, any and all of the following information of any Party that has been or may hereafter be disclosed in any form, whether in writing, orally, electronically or otherwise, or otherwise made available by observation, inspection or otherwise by any Party or its Representatives (collectively, a "Disclosing Party") to the other party or its Representatives (collectively, a "Receiving Party"):

- (i) all information that is a trade secret under applicable trade secret or other law;
- (ii) all information concerning product specifications, data, know-how, formulae, compositions, processes, designs, sketches, photographs, graphs, drawings, samples, inventions and ideas, past, current and planned research and development, current and planned manufacturing or distribution methods and processes, customer lists, current and anticipated customer requirements, price

lists, market studies, business plans, computer hardware, software and computer software and database technologies, systems, structures and architectures;

- (iii) all information concerning the business and affairs of the Disclosing Party (which includes historical and current financial statements, financial projections and budgets, tax returns and accountants' materials, historical, current and projected sales, capital spending budgets and plans, business plans, strategic plans, marketing and advertising plans, publications, client and customer lists and files, contracts, the names and backgrounds of key personnel and personnel training techniques and materials, however documented), and all information obtained from review of the Disclosing Party's documents or property or discussions with the Disclosing Party regardless of the form of the communication; and
- (iv) all notes, analyses, compilations, studies, summaries and other material prepared by the Receiving Party to the extent containing or based, in whole or in part, upon any information included in the foregoing.

“Consultative Process” means an open, good faith dialogue among the appropriate individuals designated or identified by each Party on Breaches, disputes or issues of concern to or affecting the transactions contemplated by the Agreement. Unless this Agreement provides that the Consultative Process is to proceed automatically, the Consultative Process shall commence upon receipt of written notice from the Party requesting the Consultative Process by the other Party.

“Contemplated Transactions” means a series of transactions involving the Parties to the CEA, including (i) the substitution of LCMC as the sole member of UMCMC; (ii) UMCMC's lease of the Interim Facility, New Facility, and certain furniture, fixtures, and, equipment, and the purchase of usable consumable inventory and accounts receivable; (iii) execution of the Right of Use Agreement granted by LSU and the State to UMCMC (iv) transition of the Hospital from LSU to UMCMC; (v) UMCMC's support of the academic, clinical and research missions of the AMC, and (vi) such other or additional transactions or agreements as may be necessary to effect the purposes of the CEA.

“Contract Monitor” shall mean the individual appointed by LSU to monitor the Parties' compliance with the terms of this CEA as provided in Section 1.2.

“Core Services” means those core health care services that are described in Article III, Section 3.4 of this Agreement.

“Cure Period” means a sixty (60) day period of time during which a Party may attempt to cure an asserted Breach.

“Damages” shall have the meaning set forth in Section 18.2(c).

“DHH” means the Louisiana Department of Health and Hospitals.

“Disclosing Party” has the meaning set forth in the definition of “Confidential Information.”

“DOA” means the Louisiana Division of Administration.

“Effective Date” means the date that this Cooperative Endeavor Agreement becomes effective and enforceable.

“Equipment Lease” means the lease agreement between LSU and UMCMC for certain equipment necessary for UMCMC’s operation of the Hospital in the form attached as Exhibit 4.3 to the CEA.

“ERISA” means the Employee Retirement Income Security Act of 1974.

“Excluded Premises” has the meaning set forth in Section 4.1(d).

“Excluded Provider” means an individual or entity who or that is excluded from participating in any state or federal health care program pursuant to 42 U.S.C. § 1320a-7.

“FEMA” means the Federal Emergency Management Agency.

“Financial Statements” has the meaning set forth in Section 13.4.

“Force Majeure” shall mean any (i) act of God, landslide, lightning, earthquake, hurricane, tornado, blizzard and other adverse and inclement weather, fire, explosion, flood, act of a public enemy, war, blockade, insurrection, riot or civil disturbance; (ii) labor dispute or strike; or (iii) order or judgment of any governmental authority, if not the result of willful or negligent action of a Party, any of which results in loss, delay or inability of any party to perform the obligations hereunder.

“GAAP” means generally accepted accounting principles.

“GME” means graduate medical education.

“GME Provisions” means the provisions related to GME that are set forth in the MOU, including, without limitation, (i) the GME Provisions related to the allocation and use of residency slots, (ii) the GME Provisions requiring non-discrimination in the administration of Graduate Medical Education programs (“GME Programs”) with respect to any Sponsoring Institutions, or any Sponsoring Institution’s students, faculty and residents, and (iii) the GME Provisions related to entering into and administering certain GME contracts.

“GME Programs” means the GME Programs sponsored by LSU or Tulane.

“Governmental Authorization” means any consent, license, registration or permit issued, granted, given or otherwise made available by or under the authority of any Governmental Body or pursuant to any Legal Requirement.

“Governmental Body” or “Governmental Bodies” means any:

nation, state, parish, city, town, borough, village, district or other jurisdiction;

- (i) federal, state, local, municipal, foreign or other government;

- (ii) governmental or quasi-governmental authority of any nature (including any agency, branch, department, board, commission, court, tribunal or other entity exercising governmental or quasi-governmental powers);
- (iii) multinational organization or body; or
- (iv) body exercising, or entitled or purporting to exercise, any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power.

“HCSD” means the LSU Health Care Services Division.

“Health Care Laws” means all federal, state or local laws, statutes, codes, ordinances, regulation manuals or principles of common law relating to healthcare regulatory matters, including without limitation (i) 42 U.S.C. §§ 1320a-7, 7a and 7b, which are commonly referred to as the “Federal Anti-Kickback Statute”; (ii) 42 U.S.C. § 1395nn, which is commonly referred to as the “Stark Law”; (iii) 31 U.S.C. §§ 3729-3733, which is commonly referred to as the “Federal False Claims Act”; (iv) Titles XVIII and XIX of the Social Security Act, implementing regulations and program manuals; and (v) 42 U.S.C. §§ 1320d-1320d-8 and 42 C.F.R. §§ 160, 162 and 164, which is commonly referred to as HIPAA; (vi) 42 U.S.C. §§ 1395dd, et. seq., which is commonly referred to as the “Emergency Medical Treatment and Active Labor Act” (EMTALA).

“HIPAA” means the Health Information Protection and Portability Act of 1996, as amended.

“Hospital” means the patient care and business operations of Louisiana State University Health Sciences Center – Charity Hospital and Medical Center of Louisiana at New Orleans, bearing Medicare Provider Number 190005.

“Hospital Residency Caps” means the Medicare-funded residency slots associated with the Hospital’s Medicare Provider Number.

“Indemnified Person” shall mean the Person entitled to indemnity under this Agreement.

“Indemnifying Person” means the Person obligated to indemnify another Party under this Agreement. “Initial Term” means the period from the Effective Date until the date that is forty-two (42) years following the Commencement Date.

“Intellectual Property” means licenses and other rights owned by LSU for the use its material patents, trade names, business names, service marks, and logos, and all applications and registrations therefor.

“Interim Facility” means the temporary facility located at 2021 Perdido Street, New Orleans, Louisiana 70112 in which the Hospital is operating.

“IRC” means the Internal Revenue Code.

“Key Service Baseline” means the baseline of services in the Key Service Lines provided by the Hospital on the Commencement Date as described in Article III, Section 3.5.

“Key Service Lines” means those service lines described in Article III, Section 3.5.

“Knowledge” means, except as provided in Section 13.9, knowledge of a particular fact or other matter if:

- (i) that individual is actually aware of that fact or matter; or
- (ii) a prudent individual could be expected to discover or otherwise become aware of that fact or matter in the course of conducting a reasonably comprehensive investigation regarding the accuracy of any representation or warranty contained in this Agreement.
- (iii) a Person (other than an individual) will be deemed to have Knowledge of a particular fact or other matter if any individual who is serving, or who has at any time served, as an administrator, director, officer, partner, executor or trustee of that Person (or in any similar capacity) has, or at any time had, Knowledge of that fact or other matter (as set forth in (i) and (ii) above), and any such individual (and any individual party to this Agreement) will be deemed to have conducted a reasonably comprehensive investigation regarding the accuracy of the representations and warranties made herein by that Person or individual.

“Layoff Plan” means the layoff plan filed by LSU with the Louisiana Department of State Civil Service regarding the layoff of LSU Personnel.

“LCMC” means Louisiana Children’s Medical Corporation.

“LCMC System” or “System” means LCMC and its Affiliates, including Children’s and Touro and, upon completion of the Contemplated Transactions, UCMCMC.

“Leased Premises” means all property set forth in the Master Hospital Lease attached as Exhibit 4.1 of this Agreement.

“Legal Requirement” means any applicable federal, state, local, municipal, foreign, international, multinational or other constitution, law, ordinance, principle of common law, code, regulation, statute or treaty, including without limitation Health Care Laws.

“Legislature” means the Senate and House of the Louisiana Legislature.

“Liability” means with respect to any Person, any liability or obligation of such Person of any kind, character or description, whether known or unknown, absolute or contingent, accrued or unaccrued, disputed or undisputed, liquidated or unliquidated, secured or unsecured, joint or several, due or to become due, vested or unvested, executory, determined, determinable or otherwise, and whether or not the same is required to be accrued on the financial statements of such Person.

“LSU” or “LSU Board of Supervisors” means the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College.

“LSU GME Program” means those Graduate Medical Education programs based in the greater New Orleans area for which LSU is the Sponsoring Institution.

“LSU Personnel” means the employees of the LSU Health Care Services Division, School of Medicine, or the Hospital.

“Master Collaborative Agreement” or “MCA” means the agreement among LSU, UMCMC, and LCMC addressing matters related to the Contemplated Transaction and involving ancillary agreements pertaining to same.

“Master Hospital Lease” means the lease agreement among LSU, UMCMC and the State for the Interim Facility, New Facility and other properties described in the lease agreement attached as Exhibit 4.1 of this Agreement.

“Material Adverse Effect” means any action or inaction that, in the context of this Agreement as a whole, would prevent or significantly impair a Party’s ability to meet its own obligations in this Agreement.

“Medically Indigent” means any person whose income is below two hundred percent of the federal poverty level and who is uninsured unless otherwise defined by Louisiana law.

“Member Substitution Agreement” shall mean that certain agreement by and among UMCMC, LCMC, LSU and Tulane pursuant to which LCMC is substituted as the sole member of UMCMC.

“Member Substitution Date” means the date upon which LCMC will be substituted as the sole member of UMCMC, which shall be the Effective Date of this CEA.

“Member Withdrawal” has the meaning set forth in Section 16.1.

“Member Withdrawal Date” has the meaning set forth in 0.

“Memorandum of Understanding” or “MOU” means the agreement dated August 2, 2009, as amended by agreement dated March 2, 2010, among LSU, UMCMC, LCMC, DOA and DHH in which it was contemplated that University Medical Center Management Corporation would assume the operations of the Hospital.

“New Facility” means the new, permanent acute care hospital building, ambulatory care building, and parking garage currently under construction in New Orleans at which the Hospital will operate upon the completion of those buildings and grounds.

“New Member” means a new Person that becomes the sole member of UMCMC in accordance with the provisions of Article XVI.

“OAA” means the UMCMC Office of Academic Affairs.

“Office of Risk Management” means the Office of Risk Management within the DOA.

“Order” means any order, injunction, judgment, decree, ruling, assessment or arbitration award of any Governmental Body or arbitrator.

“Parking Garage” means the parking garage currently under construction, which is part of the New Facility.

“Party” or “Parties” means the State, LSU, DOA, UMCMC, and LCMC.

“Person” means an individual, partnership, corporation, business trust, limited liability company, limited liability partnership, joint stock company, trust, unincorporated association, joint venture or other entity or a Governmental Body.

“Potential Elective Withdrawal Event” means an event that may potentially result in LCMC’s elective withdrawal as a member of UMCMC in accordance with Article XVI.

“Potential Involuntary Withdrawal Event” means an event that may potentially result in LCMC’s involuntary withdrawal as a member of UMCMC in accordance with Article XVI.

“Potential Withdrawal Event” means a Potential Elective Withdrawal Event or a Potential Involuntary Withdrawal Event.

“Prepaid Rent” has the meaning set forth in Section 15.3(f).

“Pre-Withdrawal Process” has the meaning set forth in Section 16.6.

“Proceeding” means any action, arbitration, audit, hearing, investigation, litigation or suit (whether civil, criminal, administrative, judicial or investigative, whether formal or informal, whether public or private) commenced, brought, conducted or heard by or before, or otherwise involving, any Governmental Body or arbitrator.

“Provider Numbers” shall mean all numbers or other identifying designations issued or assigned to a provider for purposes of a provider agreement, reimbursement or other payment or claims processing, including without limitation provider numbers as designated for purposes of Medicare, Medicaid, CHAMPUS or other governmental or third party payer programs.

“Public Party” or “Public Parties” means DOA, the State and LSU.

“Public Purpose” means the purpose the Parties seek to accomplish through this Cooperative Endeavor Agreement, specifically, to create an academic medical center in which the Parties continuously work in collaboration and are committed and aligned in their actions and activities, in a manner consistent with a sustainable business model and adequate funding levels, to serve the State: (i) as a premier site for graduate medical education, capable of competing in the health care marketplace, comparable among its peers, with the goal of attracting the best faculty, residents and students, to enrich the State’s health care workforce and their training experience; (ii) in fulfilling the State’s historical mission of assuring access to Safety Net Services to all citizens of the State, including its Medically Indigent, high risk Medicaid and State inmate populations, and (iii) by focusing on and supporting the Core Services and Key Service Lines, as

defined and agreed by the Parties, necessary to assure high quality GME Programs and access to Safety Net Services.

“Public Records Act” has the meaning set forth in Section 19.6.

“Receiving Party” has the meaning set forth in the definition of “Confidential Information.”

“Renewal Term” means each five (5) year period following the Initial Term and any previous Renewal Term for which UMCMC has exercised its option to renew this CEA.

“Right of Use Agreement” means the agreement between UMCMC, LCMC, LSU and DOA in the form attached as Exhibit 4.2 to the CEA.

“Safety Net Services” means health care services which are important to the health of the citizens of the State, and to which they may not otherwise have access, including, without limitation, the Core Services, whether such lack of access is due to the financial resources available to the patient, lack of availability of the service through alternative providers in the community, or other reason.

“Sponsoring Institution” has the meaning set forth in the Glossary of Terms published by ACGME with respect to graduate medical education programs.

“State” means the State of Louisiana, acting herein through the Division of Administration.

“Term” means the Initial Term and any Renewal Term.

“Terminating Event” means the events that may give rise to early termination of the CEA in accordance with Section 15.2.

“Third-Party Claim” means any claim against any Indemnified Person by a third party, whether or not involving a Proceeding.

“Touro” means Touro Infirmary in New Orleans, Louisiana.

“Transition Board of Directors” means the reconstituted Board of Directors to serve UMCMC during the Transition Period and assume the reserved powers of LCMC if, following the Member Withdrawal Date, an affirmative supermajority do not vote to maintain the composition of the Board of Directors in place as of the Member Withdrawal Date.

“Transition Period” shall have the meaning set forth in Section 16.7.

“Tulane” means the Administrators of the Tulane Educational Fund d/b/a Tulane University.

“UCC” means uncompensated care costs.

“Unamortized Improvements” means the value as of the Member Withdrawal Date of unamortized capital expenditures computed on a GAAP basis made by UMCMC or an LCMC Affiliate to the Interim Facility or New Facility while LCMC was a member of UMCMC.

“Unaudited Financial Statements” has the meaning set forth in Section 13.4.

“UMCMC” means University Medical Center Management Corporation.

“UMCMC Financial Statements” means UMCMC’s audited financial statements for the fiscal year ended 2011.

“Wind Down Commencement Date” has the meaning set forth in Section 15.4.

“Withdrawal Notice” has the meaning set forth in Section 16.7.

“Working Capital” means the difference between current assets and current liabilities, as computed on a GAAP basis.

“Xavier” means Xavier University in New Orleans, Louisiana.